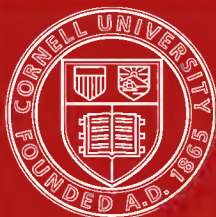


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TARIFF HEARINGS

BEFORE THE COMMITTEE ON
WAYS AND MEANS OF THE
HOUSE OF REPRESENTATIVES

SIXTIETH CONGRESS

1908-1909

SCHEDULE H

Spirits, Wines, and other Beverages



WASHINGTON
GOVERNMENT PRINTING OFFICE

COMMITTEE ON WAYS AND MEANS.

HOUSE OF REPRESENTATIVES.

SERENO E. PAYNE, *Chairman.*

JOHN DALZELL.
SAMUEL W. McCALL.
EBENEZER J. HILL.
HENRY S. BOUTELL.
JAMES C. NEEDHAM.
WILLIAM A. CALDERHEAD.
JOSEPH W. FORDNEY.
JOSEPH H. GAINES.
ROBERT W. BONYNGE.

NICHOLAS LONGWORTH.
EDGAR D. CRUMPACKER.
CHAMP CLARK.
WILLIAM BOURKE COCKRAN.
OSCAR W. UNDERWOOD.
D. L. D. GRANGER.
JAMES M. GRIGGS.
EDGAR W. POU.
CHOICE B. RANDELL.

WILLIAM K. PAYNE, *Clerk.*

P R E F A C E .

Tariff hearings were begun on November 10, 1908, pursuant to the following notice:

The Committee on Ways and Means will hold hearings on tariff revision, at Washington, D. C., commencing on the following dates:

Tuesday, November 10, 1908, on Schedule A—Chemicals, oils, and paints.

Thursday, November 12, 1908, on Schedule H—Spirits, wines, and other beverages.

Friday, November 13, 1908, on Schedule F—Tobacco, and manufactures of.

Monday, November 16, 1908, on Schedule E—Sugar, molasses, and manufactures of.

Wednesday, November 18, 1908, on Schedule G—Agricultural products and provisions.

Friday, November 20, 1908, on Schedule D—Wood, and manufactures of.

Saturday, November 21, 1908, on Schedule M—Pulp, papers, and books.

Monday, November 23, 1908, on Schedule B—Earths, earthenware, and glassware.

Wednesday, November 25, 1908, on Schedule C—Metals, and manufactures of.

Saturday, November 28, 1908, on Schedule N—Sundries.

Monday, November 30, 1908, on Schedule J—Flax, hemp, and jute, and manufactures of.

Tuesday, December 1, 1908, on Schedule I—Cotton manufactures, and on Schedule L—Silks and silk goods.

Wednesday, December 2, 1908, on Schedule K—Wool, and manufactures of.

Friday, December 4, 1908, on Sections 3-34, and miscellaneous matters.

Hearings on articles now on free list will be held on the above dates in connection with the above subjects to which they most nearly relate.

The hearings will be held in the rooms of the committee, third floor, House of Representatives Office Building.

Sessions will begin at 9.30 a. m. and 2 p. m., unless otherwise ordered.

Persons desiring to be heard should apply to the clerk of the committee previous to the day set for the hearing, to be assigned a place on the programme for that day. A person making such application should state:

1. His name.
2. His permanent address.
3. His temporary address in Washington.
4. Whom he represents.
5. Concerning what paragraphs he desires to be heard.
6. Briefly, what position he expects to advocate.
7. How much time he wishes to occupy.

He should also inclose a copy of his brief and of any documents he desires filed with the committee.

All briefs and other papers filed with the committee should have indorsed on them the name and address of the person submitting them, and the numbers of the paragraphs of the present law (act of July 24, 1897) to which they relate.

WILLIAM K. PAYNE,

Clerk, Committee on Ways and Means.

The committee subsequently extended the time for hearings to December 24, 1908.

On the opening day of the second session of the Sixtieth Congress (December 5, 1908), the following resolution was passed by the House of Representatives:

Resolved, That the Committee on Ways and Means, in their investigation and inquiry for the purpose of preparing a bill to revise the present tariff laws, shall have power to subpoena and examine witnesses under oath, and to send for records, papers, and all other evidence that may be necessary to make the investigation and inquiry full and complete, and that the Speaker shall have authority to sign and the Clerk to attest subpoenas during the recess of Congress.

Pursuant to this resolution, all witnesses appearing before the committee, beginning with the session on December 10, 1908, were sworn before giving their testimony.

The stenographic minutes of each day's proceedings, together with the briefs and memorials filed, were printed and distributed the following morning, and upward of 2,500 copies of this first print were sent out each day. Copies were sent to each witness, with a request that he correct his statement as printed, and return the revised copy to the clerk. Such corrections have been used in preparing this revised edition of the hearings.

In this edition the chronological order of the statements has been disregarded, and the oral statements and papers filed on each subject have been grouped together, following, as far as practicable, the arrangement of subjects in the present tariff law. The date of each oral statement is placed at the beginning of it.

A large number of letters have been filed with the committee which merely stated the attitude of the writer, or else substantially repeated an argument which had already been printed in the hearings. Such letters have not been included in this work, but instead, a statement is made that such letters have been received. They are all on the committee's files, and accessible to the members of the committee. By this means, the size of the volumes, already bulky, has been somewhat reduced, the printing has been expedited, and, it is believed, many undesirable repetitions have been avoided.

WILLIAM K. PAYNE.

JANUARY, 1909.

REMARKS BY THE CHAIRMAN.

Tuesday, November 10, 1908, the chairman of the committee, Hon. S. E. Payne, opened the public hearings with the following remarks:

Gentlemen, the hearings will commence at half past 9 in the morning and continue until 1 o'clock, when a recess will be taken until 2 o'clock. The hearings will then be resumed in the afternoon at 2 o'clock, and if it becomes necessary to take a recess at 6 o'clock the committee can do so and continue the hearings at 8 o'clock.

The opening hearing this morning, as you are aware, is upon the chemical schedule of the tariff, and it is the desire of the committee to hear the parties interested and others who may desire to speak on the subject embraced in the schedule, and also concerning the chemicals on the free list, and so with each paragraph of the bill as we proceed, so that the discussion may continue intelligently, involving every item connected with the subject.

The committee has no apologies to make for the bad acoustics of the hall, as we have nothing to do with that feature. We hope the people in attendance will be able to hear, and I would caution those in attendance that they speak in a sufficiently loud tone of voice that the committee can hear.

December 22, 1908, at the close of the formal hearings, the chairman said:

Gentlemen, in accordance with the resolution of the committee passed two weeks ago this closes the hearings and there will be no further hearings by the committee unless they desire information on some subject and invite gentlemen to be present to give them that information—that is, there will be no hearings for volunteers as distinguished from those who may be sent for by the committee. Of course, any persons desiring to present briefs and file them can do so, and they will be printed with the hearings. The only difficulty in regard to that is that if they are not brought in promptly they will be printed in a subsequent volume. I think we have material now for five or six volumes, and belated briefs and papers will be printed in a subsequent volume with the index.

Before we adjourn I want to thank the members of the committee for their uniform courtesy, and especially their indefatigable inquiries tending to bring out the facts in reference to the tariff and in order to aid in perfecting the bill. I think the minority members of the committee especially are entitled to thanks for their perseverance and patience in getting at the facts.

Mr. COCKRAN. As the senior member of the minority, Mr. Chairman, I want to say that nothing could be fairer than the manner in which this investigation has been conducted, and no inquiry could be fuller in its scope or more fruitful in its results.

The CHAIRMAN. The chairman is very much gratified at the gentleman's statement. The committee will now stand adjourned.

SCHEDULE H.

**SPIRITS, WINES, AND OTHER
BEVERAGES.**

SCHEDULE H—SPIRITS, WINES, AND OTHER BEVERAGES.

CORDIALS AND FRUIT BRANDIES.

[Paragraphs 289 and 292.]

**CHARLES JACQUIN ET CIE., NEW YORK CITY, ASK AN ADVANCE
OF DUTY ON CORDIALS AND FRUIT BRANDIES.**

NEW YORK, *November 25, 1908.*

HON. S. E. PAYNE,

House of Representatives, Washington, D. C.

DEAR SIR: Your attention is called, in view of the present tariff agitation, to a serious condition in our line, the distillation of fancy goods and manufacturing of cordials.

The reciprocity duty of \$1.75 per gallon against the home tax of \$1.10 per gallon, which is only 65 cents per gallon difference, and when reduced per bottle, 13 cents per bottle, is again offset by cheaper labor in Europe, and therefore it acts as a hindrance to distillation of fruit brandies, such as prunes, apricots, and the manufacturing of cordials, as the public at large—there being hardly any difference in the price of foreign goods—prefer the imported goods, and therefore the only domestic goods that are in demand are the very cheap grades. We should think that in view of the fact that tariff is for revenue, the duty on luxuries, such as distilled fruit brandies and cordials, could be made \$3 per gallon, and if it comes to a question of reciprocity, it should be \$2.25 at least. - Formerly we only paid a tax of 90 cents, against a duty of \$2, and later on \$2.25, and therefore the distillation of the class of goods mentioned above was encouraged. Owing to the present state of affairs, it is not only the cordial manufacturer, but other industries that suffer, to wit, the fruit grower, the manufacturer of bottles, the lumber dealer, the manufacturer of boxes, the lithographer, paper manufacturer, tin capsule manufacturer (caps), and also the iron industry (manufacturer of nails and straps), as their goods are not used in the quantity that they should be if attention were given to the duty on such fancy goods as a luxury.

Thanking you in advance for anything you can do in this matter when the time comes, we remain,

Yours, respectfully,

CHAS. JACQUIN ET CIE. (INC.).

WINES AND SPIRITS.

STATEMENT OF FRANCIS E. HAMILTON, 32 BROADWAY, NEW YORK, REPRESENTING VARIOUS NEW YORK IMPORTERS.

THURSDAY, November 12, 1908.

The CHAIRMAN. Please give the committee your full name, address, and the interests you represent.

Mr. HAMILTON. Francis E. Hamilton, 32 Broadway, New York, attorney at law. I represent the interests that I send to the clerk, but will say that they are the Wine and Spirit Traders' Society of the United States, the Italian Chamber of Commerce, J. B. Martin, Hartman & Goldsmith, Julius Wile, Sons & Co., and others whom I do not at the moment remember, all interested in Schedule H.

The CHAIRMAN. You may proceed, Mr. Hamilton.

Mr. HAMILTON. I received this morning a line from the president of the Wine and Spirit Traders' Society of the United States, representing the principal importers of wines and spirits in this country, which reads as follows (reads):

THE WINE AND SPIRIT TRADERS' SOCIETY OF THE UNITED STATES,
78 BROAD STREET,
New York, November 11, 1908.

HON. SERENO E. PAYNE,
*Chairman of the Ways and Means Committee,
House of Representatives, Washington, D. C.*

SIR: The members of the Wine and Spirit Traders' Society of the United States, representing the principal importers of wines and spirits in this country, request that the hearing appointed by your honorable committee for the 12th instant, to give this trade an opportunity to present their views regarding the reconsideration of the tariff rates, be postponed until at least the 26th instant, in order that they may ascertain and present in concise and tabulated form the views of the firms importing wines and spirits into this country.

Trusting that you will grant our request, we are,
Respectfully,

ALEX. D. SHAW,
President of the Wine and Spirit Traders' Society of the United States.

I have no recommendation to make, and I presume to say that the committee will not consent to any application of the sort, owing to the fact that you have already outlined your time, but it is my duty to ask whether it would be possible to allow the Wine and Spirit Traders' Society to be heard at any future day.

Mr. BOUTELL. What day do they fix?

Mr. HAMILTON. November 26.

Mr. BOUTELL. That is Thanksgiving Day.

The CHAIRMAN. We have a schedule for the whole hearings, and we can not postpone them.

Mr. HAMILTON. I fully understand the position of the committee.

The CHAIRMAN. Any person who can not appear at the appointed time will have ample opportunity to file a brief before the 4th of December, but we can not interrupt the hearings.

Mr. HAMILTON. I think, if the committee please, that that is very proper. I think it would be very foolish to attempt to change the programme as you now have it arranged.

I will briefly submit to the committee the suggestions that are presented by my clients on the question of any revision:

We, the undersigned members of the legislative committee of the Wine and Spirit Traders' Society of the United States, herewith submit to your honorable body the following recommendations.

I will file them or I will read them if the committee prefers. Perhaps it would be better to read them, and then if there are any questions to be asked—

The CHAIRMAN. Just take your own course.

Mr. HAMILTON. Very well.

Mr. CLARK. What is the general trend of the argument, to cut down the tariff?

Mr. HAMILTON. A little, in some places.

Mr. CLARK. I just wanted to learn the trend of your argument.

Mr. HAMILTON (reads):

First. That the duty on still wines from France, Germany, Portugal, Spain, and all other reciprocal countries remain at the same rate of 35 cents per gallon and \$1.25 per case as now in force.

Second. That the duty of \$6 per case on champagnes and all other sparkling wines from the above-mentioned countries remain as they are.

Third. A reduction on wines and spirits, manufactured or distilled in Great Britain and colonies, to conform to the rate levied on wine and spirits from countries enjoying reciprocity with the United States, viz, \$6 per case on champagne and other sparkling wines, \$1.25 per case on still wines, 35 cents per gallon on still wines, \$1.75 per proof gallon on spirits: *Provided, however,* That the wine or spirits that are to enjoy this rate of duty shall be manufactured or distilled in Great Britain and colonies only; otherwise the present existing rate of duty of \$8 per case on champagne and other sparkling wines, 50 cents per gallon on still wines, \$1.60 per case on still wines, \$2.25 per proof gallon on spirits be levied.

Fourth. That the same allowance for leakage or evaporation be granted to foreign spirits as is granted to domestic spirits in bond under the provisions of the present internal-revenue law, and that the bonded period should be extended for foreign spirits from three to eight years, as provided at present for domestic spirits.

Fifth. Privilege of paying duty, only on still wines imported in bulk, on actual quantity shown on gauge at time entry is made for consumption.

That is a very short proposition, but it is an exceedingly important one. (Reads:)

Sixth. An allowance of 5 per cent for breakage be granted on all foreign wines, spirits, beer, and ginger ale imported in bottles and jugs.

Seventh. The proof gallon should be basis for calculating duty on spirits and an allowance be made for every degree under proof the same as is charged for every degree above proof.

Eighth. That no duty be levied on the bottles containing spirits.

Ninth. The duty on the importation of samples of sparkling and still wines, spirits, ginger ale, and all malt liquors in less quantities than one dozen bottles to be calculated at the pro rata duty levied upon a full case.

Tenth. A provision of law permitting the sale free of duty to foreign vessels trading with foreign ports of wines, spirits, ginger ale, and all malt liquors, as is now the case with such American vessels, under the law of June 16, 1884.

The above recommendations are the tentative ones submitted by the legislative committee of the Wine and Spirit Traders' Society, and any additional ones that we may have will be presented at the time that your honorable body appoints to give our trade an opportunity of presenting its further views with arguments. We respectfully request that the hearing be set for a day not shorter than two weeks from the date of the presentation of this brief.

Respectfully,

E. C. LA MONTAGNE, *Chairman, of E. La Montagne Sons.*

HENRY E. GOURD.

ADOLPH DE BARY, *of Fred'k de Bary & Co.*

F. G. HERMAN FAYEN, *of Chas. F. Schmidt & Peters.*

WILLIAM B. SIMONDS, *of F. O. De Luze & Co.*

Attest:

THOMAS S. LEOSER,

Secretary pro tem.

The same line is followed by the petition from the Italian Chamber of Commerce, which, if I am not limited as to time, I will read. It will take, perhaps, fifteen minutes to read the petition, if you gentlemen will permit.

Mr. CLARK. Is this Italian Chamber of Commerce a New York concern?

Mr. HAMILTON. Yes, sir.

Mr. CLARK. That is all; I just wanted to know.

Mr. HAMILTON. Shall I read the petition?

The CHAIRMAN. Take your own course.

Mr. HAMILTON. It is rather long and I do not want to burden the committee, but I think it is really a matter of interest.

The CHAIRMAN. If you prefer to have the petition printed without reading, of course, it will be agreeable to the committee.

Mr. HAMILTON. I can read the petition in perhaps fifteen minutes.

The CHAIRMAN. Proceed to read it.

Mr. HAMILTON (reads):

Memorial of the Italian Chamber of Commerce in New York against any increase in the duties on wine and spirits and indorsing the reciprocity policy of the present tariff.

The Italian Chamber of Commerce in New York, representing the Italian-American trade averaging to a yearly value of about \$100,000,000, as well as the commercial and industrial interests of a population of about 400,000 Italo-American citizens living in this city who, by reason of their industry and labor, are second to none as a factor of prosperity and as consumers of both domestic and imported produce, welcomes the opportunity of this hearing to express its views and submit its recommendations to this honorable committee on the subject of tariff legislation as related to Schedule H, on wines and spirits, now under consideration.

From the outset this chamber desires to state that it is not opposed to any reasonable tariff, but that it believes in the main on the principle that such duties should prevail as to balance the difference in the cost of labor between the United States and foreign countries. What this chamber opposes is the enactment of excessive or prohibitive duties which, while objectionable in themselves, by reason of fiscality, would be prejudicial to all concerned; to domestic production first, as an excess of protection can not but destroy that healthy stimulus of a possible competition from which alone can be expected that endeavor to a higher standard of industry which is in the interest of the industry itself; to revenue, as the prohibitive nature of too high duties would destroy importations and the revenue therefrom; to foreign trade, which would be unjustly discriminated against and thus probably provoke retaliation from foreign countries, which is to be avoided; and last, but not least, to the consumers, who represent by far the majority of the body politic and whose interests are entitled to as much, if not greater, consideration at the hand of the legislator as those of any other class, however influential it may be.

This chamber, we may add incidentally, is also opposed to high duties on articles such as are not produced in this country or can not be produced to any great extent or with the desired characteristics required by consumption, through the absence of certain natural or economic factors which can not be remedied through the instrumentality of the tariff.

It is from the tacitful compromise of the interests represented by the various elements which have to be considered in framing a tariff law that such economic legislation can be devised as will be consonant with the actual requirements of the country and will give a maximum of beneficial results with a minimum of dissatisfaction.

In line with the principles above stated, we will consider Schedule H of the present tariff regarding wines and spirits, and separately the duties on still wine from those on sparkling wine. The present rate is 40 cents per gallon on wines in casks and similar packages not containing more than 14 per cent of alcohol by volume, and 50 cents per gallon on wines containing more than 14 and no more than 24 per cent of alcohol by volume. This rate has, by reciprocity agreements with certain foreign countries, such as France, Germany, Italy, Spain, Portugal, etc.,—

And also Holland and Switzerland, I believe—

which have made equivalent tariff concessions to the products of the United States, been reduced to the uniform rate of 35 cents per gallon, a reduction ranging from 12.5 to 30 per cent, the reciprocity rate being, however, 16.7 per cent higher than the preceding tariff law, when the rate was 30 cents per gallon.

The present tariff gives a protection of 35 cents per gallon to the domestic product. We consider this ample protection, being equivalent to about 100 per cent on the average price ($36\frac{1}{2}$ cents per gallon) of California wine sold at New York, its most important eastern market. The protection that this rate of duty gives to California wine at its origin is even higher than 100 per cent. Taking, in fact, the price of ordinary red California wine at its origin at 20 cents per gallon, plus 6 cents for cooperage, total 26 cents, and that of the standard claret of California at its origin at 25 cents per gallon plus 6 cents for cooperage, total 31 cents, it will be seen that the protection in the case of ordinary red California wine equals 136.6 per cent and in that of standard California claret equals 112.9 per cent.

The California interests allege that "California wine pays a duty of $7\frac{1}{2}$ cents per gallon freight charges to get to New York and other eastern markets, while the cost of bringing foreign wines by sea to the same markets is only about $2\frac{1}{2}$ to 3 cents per gallon."

Regarding this allegation we must note that the argument of the California interests is delusive and their statement not according to facts, because of the following reasons:

First. Because the freight charge of $7\frac{1}{2}$ cents per gallon relates only to shipments by railroad, while one-half of the California wines shipped to eastern markets comes by sea, in which case the ordinary rate is $5\frac{1}{2}$ and sometimes as low as $4\frac{1}{2}$ cents per gallon.

Second. Because, in stating the freight on foreign wine, the California interests give only the maritime freight and not the inland freight that such wine has to pay from its place of production to the shipping port, a freight which, on the average, equals and often surpasses the maritime freight.

MR. CLARK. How much is the maritime freight on European wines to New York?

MR. HAMILTON. Seven and a half cents a gallon.

MR. NEEDHAM. You do not mean $7\frac{1}{2}$ cents?

MR. HAMILTON. From Europe to New York the rate is $2\frac{1}{2}$ cents.

MR. CLARK. And how much is it from California by sea?

MR. HAMILTON. Four and a half to $5\frac{1}{2}$ cents.

MR. CLARK. Coming across the continent on the railroad it is $7\frac{1}{2}$ cents?

MR. HAMILTON. Yes, sir.

MR. CLARK. What proportion is the inland rate?

MR. HAMILTON. If you are going into the question of the cost of production from the point of production to the point of sale, then you must add to the maritime freight the inland freight that is also paid from the point of production.

MR. CLARK. How much is that, on the average?

MR. HAMILTON. I had just reached that point. (Reads:)

Because, in stating the freight on foreign wine, the California interests give only the maritime freight and not the inland freight that such wine has to pay from its place of production to the shipping port which, on the average, equals and often surpasses the maritime freight.

That is to say, $2\frac{1}{2}$ cents or 3 cents added to $2\frac{1}{2}$ cents which it costs to get it there would make the freight on the Italian wines 5 or $5\frac{1}{2}$ cents landed in New York, almost the exact equal of the freight on the California wines coming by sea.

MR. CLARK. How could that be with those small countries which can not be very far from any port?

Mr. HAMILTON. That is due to the fact that they charge a great deal more for transportation by freight in Europe than in this country. We take a longer trip for very much less money than you can take a short trip in Europe.

Mr. CLARK. They argued on the rate bill that the freights were cheaper in Europe than here.

Mr. HAMILTON. I presume that each interest argues in its own favor.

Mr. HILL. You do not consider the inland freight on California wines?

Mr. HAMILTON. No; because we did not know what that was. It is something, of course. There is an inland freight there.

Mr. NEEDHAM. Do you not think it will average more than the freight in Europe?

Mr. HAMILTON. I should not say so from my, perhaps, desultory knowledge.

The CHAIRMAN. I have a notion that the California freights are much higher than the eastern freights in the United States.

Mr. HAMILTON. They are, Mr. Chairman, no doubt, but the distances to freight the wines in California are comparatively short. A very large portion of the California products, unless times have changed in the last fifteen years, is raised within horseback riding of Los Angeles.

Mr. CLARK. Is not most of the wine country in Europe adjacent to the sea or navigable water?

Mr. HAMILTON. No, sir; I do not believe it is adjacent to the sea or navigable water, but if you mean from three to five hundred miles, I will say yes.

Mr. UNDERWOOD. Is not a large proportion of the German wine made on the Rhine?

Mr. HAMILTON. Yes, sir.

Mr. CLARK. There is not a producing country in Europe as large as California?

Mr. HAMILTON. No, sir.

Mr. CLARK. How does it happen that the California points are on the sea and the foreign points are not?

Mr. HAMILTON. As a matter of fact, I think you know as well as I do that the California towns are on the sea, most of them; Los Angeles, Cal., and the immediately surrounding territory are not away back in the country.

Mr. CLARK. The big towns are on the seacoast, but they do not raise wine in the towns.

The CHAIRMAN. As I understand, on the Rhine they have inland transportation by water. Do you know what the freight is?

Mr. HAMILTON. I do not have that data at hand, but we can submit an itemized statement of that to the committee later on. (Reads:)

Their statement is therefore inexact, because incomplete, also on account of the fact that it omits to add other items of expense in the shipment of foreign wines and from which California wine is exempt, such as loading and unloading charges at the shipping port, cost of customs entry, cost of consular invoice and certificates, which items alone, in the case of small shipments prevailing in the importation of wines from foreign countries, are equivalent to an outlay, conservatively estimated, of at least 1 cent per gallon. From actual fact the total freight charges, including inland freight in Italy (averaging about

3 cents per gallon), maritime freight, and contingent expenses ($4\frac{1}{2}$ cents per gallon from Genoa to New York) on foreign wine shipped from its place of origin to New York, amount to about $7\frac{1}{2}$ cents, and equal the railroad rate on California wine to eastern markets.

Of course, gentlemen, I appreciate that I am bound entirely by the paper from which I am reading. I am not a wine importer and I do not know anything about it except what information I have received from my clients. As to the question which has been put to me as to specific expenses and charges, I will see to it that full answer is supplied to the committee when I submit a further brief. (Reads:)

Third. Because if the California growers have to pay a freight charge of $7\frac{1}{2}$ cents to bring their wine by railroad from San Francisco to New York, the importers of foreign wine have to pay a much higher freight rate in bringing their wine from New York to San Francisco and other western markets. The consumption of foreign wines is not limited to the Atlantic seaports, but they are distributed all over the country. Therefore when it is considered that foreign wines to reach New York have to pay a freight equal to that paid by California wines in reaching the same market, and that they have to pay an even higher freight to reach the western markets, it will be seen that in the matter of freight the discrimination is really against foreign wines, which thus pay practically an additional duty of at least 10 cents per gallon.

Suppose we sell wines in the Middle West. We pay, say, two and a half cents to get it to New York, and we pay 2, 3, or 4 cents to get it to the Middle West, while the California wine comes from California to the Middle West for 4 cents.

MR. CLARK. We make our own wines in the Middle West.

MR. HAMILTON. We sell some wines out there.

MR. CLARK. Not very many wines.

THE CHAIRMAN. Do not foreign wines have the benefit of through rates to points in the United States?

MR. HAMILTON. I think so; doubtless.

THE CHAIRMAN. And are not those through rates adjusted in such a manner as to give a less rate from New York City to the point of consumption than the domestic wines get?

MR. HAMILTON. I have no doubt of that.

THE CHAIRMAN. Do you know what that difference is?

MR. HAMILTON. I can not tell you. I know you are right in that statement. (Reads:)

In straightening out facts regarding imported wines, this chamber desires to enter a most emphatic denial to the mendacious statement circulated through the press in the interest of those claiming higher duties that "even under the present tariff duty immense quantities of cheap foreign wines are shipped into the United States and sold at the same price as our cheapest wines."

This is not so, and this chamber challenges proof thereof. There is no foreign wine sold at the price of our cheapest domestic wines, which would be from $31\frac{1}{2}$ to $36\frac{1}{2}$ cents per gallon. It is impossible to lay down standard imported wine, with the present market conditions obtaining in Italy, for less than 70 cents per gallon, actual cost, in New York. Although it is true that there are cheap ordinary wines sold in Italy to-day at about 10 cents per gallon naked on the spot, it is also an indisputable fact that wines of this grade are not fit for shipment and are not shipped beyond the seas, because on account of their low alcoholic strength and other reasons they could not stand transportation. Wines of this grade do not absolutely find a market in the United States and are fit only for local consumption or for the still.

MR. CLARK. Do I understand that they get cheaper rates from the Atlantic seaboard to the inland points on foreign wines than on domestic wines?

The CHAIRMAN. It amounts to that by making the through rates from Europe to the point of consumption. I know that similar rates are made on other imported goods, and I suspect it is so with wines.

MR. HAMILTON (reads):

The wines shipped to this country are wines of standard quality, of high cost already at their origin on account of the choice variety of grapes from which they are obtained, of the cares bestowed upon them in their making, and of the ageing that they have to undergo before being shipped to this market; they must be wines capable of standing the vicissitudes of a long sea journey and possessing such qualities as will satisfy the requirements of the consumers of imported wine, which are for wines of a higher grade of quality than the bulk of domestic wines. Unless the wine imported is of a decidedly higher grade of quality than the domestic, it would not be demanded and it could not stand the disadvantage of the duty.

The wines which are shipped from foreign countries to the American market are the best grades, which, notwithstanding the crisis that has affected the wine industry of Italy and France on account of two exceptionally abundant vintages, have maintained their price, and are altogether a different class of products from the common cheap wines or "vin du pays" that supplies the everyday consumption of the working classes, quotations of which find their way, as in the case of other ordinary staple articles, in press bulletins. Quotations of wines of the grade required and shipped to this market are obtainable only through special application to the shippers.

Let us give some examples that will show how foreign wine of the grade required by this market can not be laid down in New York for less than 70 cents, actual cost, and in most cases for not less than a higher figure:

Barbera, for instance, one of the most popular Italian brands shipped in bulk to this market. This wine is quoted to-day at its place of origin, say Canelli, at 50 lire per hectoliter naked, i. e., about 40 cents per gallon. Add to this figure 5 cents for cooperage, 2 cents for inland freight, $4\frac{1}{2}$ cents for maritime freight and contingent expenses from Genoa to New York, and 35 cents for duty, and you will see that it costs at New York $86\frac{1}{2}$ cents per gallon, duty paid, without, however, the profit of the dealer.

Let us take another example—that of Gragnano, a popular southern wine. It costs in Italy naked on the spot at least 28 cents per gallon, plus 5 cents for cooperage, 2 cents for inland freight, $4\frac{1}{2}$ cents for freight and contingent expenses from Naples to New York, and 35 cents for duty, which makes its cost laid down in New York $74\frac{1}{2}$ cents per gallon, to which the 5 per cent profit of the wholesale dealer should be added.

Even from the south of Italy, the section where prices of wine are lowest on account of the crisis caused by overproduction of ordinary wines, no wine is shipped to the United States that costs at its origin less than 20 cents per gallon, to which, when the high inland freight charges prevailing in that section and due to the difficulty of communication (often as high as 4 and 5 cents per gallon) and the other items of charges as above specified, are added, it will be seen that the cost of such wine at New York comes to be about 70 cents per gallon.

To demonstrate that the low prices prevailing in Italy for ordinary wines locally consumed, and absolutely not shipped to this country, have not affected the market prices of the standard wines shipped and sold on this market, we quote from the market report of the bulletin of our chamber the following wholesale quotations for some of the principal denominations of Italian wines at New York: Barbera, from \$0.85 to \$1.05; Chianti, from \$1 to \$1.10; Gragnano, from \$0.75 to \$0.90; Cilento, from \$0.75 to \$0.90. (Date of above stated quotations, October 12, 1908.)

From the foregoing it is evident that no fear need reasonably be entertained of the American markets being flooded with cheap foreign wines at the present rate of duty, which is more than sufficient to prevent it. Far from such flooding of the market, the importation of Italian wines into the United States, instead of increasing during the current calendar year, when prices were lowest in Italy, has decreased about 30 per cent, while it should have increased if the facts were as alleged by the claimants for higher duties.

This chamber is confident that this committee will recognize the present rate of duty on foreign bulk wines as ample for the protection of American growers, and that any further increase would be grossly unfair not only to foreign

producers, but also to the consumers in this country, the limit having been reached beyond which the duty would act not as a protective but as a prohibitive tariff.

Foreign wines do not compete with domestic wines, as too wide is the range of difference in price to substantiate any competition. Italian wines in this country supply an occasional demand from the Italian element of our population, the very people who are the best consumers of domestic wines, and who desire once in a while the wine that reminds them of the old country, which is far more to the interest of domestic producers than if this people were to go back to Italy for it, and who would justly resent any attempt to deprive them of such commodity by a prohibitive price consequent upon an increase of duties, for it must not be forgotten that this class of consumers, while industrious and thrifty, is, however, not wealthy.

The allegation, made by some California interests at the trans-Mississippi congress held on October 10 at San Francisco, that "the domestic wines are outlawed and their place is taken by foreign wines imported under reciprocity at a rate of duty per alcoholic content which is only two-thirds of our internal-revenue tax on domestic spirits," is absolutely without foundation, the opposite being in fact the truth. While California wine can be fortified with spirits that are practically exempt from revenue tax, save a small charge of 3 cents per proof gallon, the imported wines in paying duty pay on their alcoholic content at the rate of two-thirds of the revenue tax on spirits. Is it not, therefore, the foreign product that pays while the domestic goes practically free? And, if the standard of taxation for wine is to be the alcoholic content as related to the revenue tax (which, however, can not be recognized as a principle applicable to the taxation of wine), then, we ask, Why such discrimination against foreign wines and in favor of the domestic product?

California, as well as the other wine-growing districts of the United States, can not claim not to have profited by the enactment of the present tariff, which has greatly stimulated their industry and put it on a very paying basis, as proven by the increase in the acreage of vineyards in California and elsewhere and the satisfactory prices paid nowadays for California wines and eastern grapes. With such natural advantages as California possesses over foreign countries in vine growing, on account of the higher productiveness of its virgin soil, giving easily without fertilization 5 and more tons to the acre (an average far above that of the old countries, where land is exhausted and requires expensive fertilization to make it responsive); on account of the practical freedom from vine pests, which in the old wine-growing countries of Europe have to be strenuously combated at great cost in order to secure a crop; on account of freedom from heavy land taxes, advantages these which offset the higher cost of labor, also offset by the greater application of machinery and by the increase in the cost of labor in the old countries of Europe by reason of emigration, the protection of 100 per cent that is given to the California and other domestic product by the present rate of duty is reasonably ample without any further increase, which would be fraught with the danger of stimulating those combinations called monopolies or trusts that are not to the interest of consumers.

An industry such as the wine industry of this country, that in the comparatively brief space of a half century has attained an area of 350,000 acres of vineyard and represents \$100,000,000 of invested capital, is no longer an infant but an adult and prosperous industry, which needs no further increase of protection, as that already enjoyed has proven so beneficial to it.

The domestic wine interests enjoy already more protection than is really necessary for the success of their industry, which must be sought in commercial enterprise and the improvement of the quality of the product, and thus in their ability to obtain higher prices and not in a prohibitive tariff. The abuse that they make for some of their wines of denominations and style of packages which are the traditional property of reputed foreign districts, thus faring under French, German, Italian, or Spanish names and not under their own flag, shows what is to be expected from high protection, and furnishes the reason of their anxiety to obtain higher duties against foreign wines, so as to exclude from the American market the genuine products.

Foreign wines are needed in this country to meet the requirements of the demand, especially when the home production, through poor or scarce vintages, is not sufficient to supply the home demand. The supply of foreign wines, made possible by a not unreasonable tariff as the present, is the best safeguard against consumers of wine driving to other beverages, which has a high social signifi-

cance, as it is an admitted fact that the consumption of light wines with meals is promotive of temperance, and the best means to fight the evil of drunkenness so common with the consumption of alcoholic beverages of a different nature. Such safeguard would cease to exist if the duties on wine were increased.

This chamber believes that the reciprocity clause was one of the wisest measures framed in the present tariff law, inasmuch as by maintaining an ample measure of protection to home industries it gave the United States the means whereby to extend its commerce abroad. If a balance were made of the advantages derived by this country through the enactment of such measure in comparison with those derived by foreign countries having reciprocity treaties with the United States, it would be found that the United States have had by far the better part of the deal. That reciprocity clause stands as evidence of the farsighted economic policy of the framers of the present tariff law, and the prosperity shown by the very industries interested shows that it did not harm them in the least, while it has helped greatly the development of American trade with foreign countries.

The claim of the domestic makers of sparkling wine that the reduction from \$8 to \$6 of the duty on champagne is prejudicial to their industry on account of the high prices paid for grapes, as much as \$80 per ton is, to say the least, exaggerated, because prices as high, if not higher, are paid for champagne grapes abroad, especially this year that the crop of such grapes has been scarce. The difference in price between foreign champagne (selling around \$30 per case) and domestic sparkling wine (selling about \$12) is so wide that it appears at first sight how a reduction of \$2 in the selling price of foreign champagne, made possible by the reciprocity treaties, is immaterial from the standpoint of competition in the sale of these commodities, as different is the position that these two classes of sparkling wine hold in supplying the needs of the American consumer. They are catered, respectively, to a different class of consumers, as evidenced by the difference in prices.

Likewise, in the case of sparkling *Lacrima Christi*, an Italian wine, which sells at \$18 a case, it would not be the reduction in price of \$2 per case, if a reciprocity agreement were entered into with Italy, that could prejudice the market of American sparkling wine selling at \$12 per case.

The conventional duty of \$6 on French and German sparkling wines is none too low, as it gives a protection of 120 per cent to the American product, which on the basis of grapes costing \$80 a ton and even allowing 100 per cent as the cost of manufacture, and making all allowance for breakage and interest on the invested capital, cost to produce about \$5 a case.

It is a well-known fact that certain California white wines sold to the eastern makers of sparkling wine at about 40 cents per gallon are utilized in the cuvée of domestic sparkling wines, which factor counterbalances the present rather high cost of the eastern champagne grapes.

The high duty of \$8 per dozen that has still to be paid on Italian sparkling wines practically shuts them out from the market of the United States.

I feel that that point is one that the committee might give serious attention to. The reciprocity treaties that have been made extending the privilege to French and German champagnes have not in the case of Italy been extended to sparkling wines. Just why I am unable to say, but it does seem a clear injustice. No possible injury could be done to the American trade by the extension of the privilege to the sparkling wines of Italy as it has been extended to the sparkling wines of these other countries. (Reads:)

No sparkling wine having the typical characteristics of the Italian *Moscato*, *Nebbiolo*, etc., are produced, nor can be produced in the United States for technical reasons which it would be superfluous to state here. These sparkling wines are not exactly what would be called a luxury, as their cost of production is moderate, and for that they would come within the reach of consumers in fair circumstances. At present, however, their importation is killed by the high duty of \$8, which amounts in the case of these wines to an increase over the original cost of at least 150 per cent. No benefit derives to domestic producers from the impossibility to import these types of sparkling wine which can not, as stated, be produced in the United States, while a considerable loss derives to the revenue and consumers are unreasonably deprived of a commodity that should not be taken away from them simply through excessive fiscal policy.

This chamber, among the other recommendations submitted, desires to call the attention of this committee to an unjust feature of the present tariff law regarding the mode of collecting duties on wines and spirits, viz, the proviso contained in paragraph 296, running as follows: "And provided further, That there shall be no constructive or other allowance for breakage, leakage, or damage on wines, liquors, cordials, or distilled spirits."

The committee will know that this is the same proposition that the Wine and Spirit Traders' Society referred to. They all refer to this paragraph 296 and to the sentence therein contained, which limits or forbids any constructive allowance for breakage, leakage, or damage on wines, liquors, cordials, or distilled spirits. (Reads:)

This proviso has been the cause of numberless and vexatious controversies between importers and the collectors of duties at the various ports regarding the payment of duty on merchandise actually not received by the importers through leakage, loss, or damage of other kind. The strictness with which it has been enforced has proven greatly prejudicial to the interests of importers and consumers, who have been compelled to pay duty on merchandise not received through no fault of their own, and have thus been subjected to a gross injustice. It should therefore be abolished, or at least modified according to justice, or, better still, substituted by a proviso that "the duties on wines or spirits in bulk shall be collected on the amount of merchandise actually received and gauged by the United States customs officers."

—That is the theory of the law, as I understand it, anyway, that we do not propose to levy a duty on something that does not come into the country. If you brought over here a barrel marked "Gin," and it was empty, except for the law I question whether any gentleman on the committee would believe there should be charged a duty on the empty barrel, but that is what is done. (Reads:)

From the foregoing this chamber trusts to have demonstrated to the satisfaction of this committee that any increase of the already high rates of duty at present obtaining on wines and spirits would be unwise and unwarrantable, not only from the standpoint of the interest of consumers, which must not be left entirely at the control of domestic producers, but also from the standpoint of reasonable protection to the American wine industry, which has prospered and is prospering under the present régime. We indorse fully the reciprocity rates and policy followed by this country, and hope for their continuance in the future within a still wider scope, so as to include other articles which are not produced in the United States or are yet produced in insufficient quantity or quality for the requirements of its consumers, especially when considering their cosmopolitan character.

Our conclusion, therefore, is that the present conventional rates of duty on wines and spirits be maintained unaltered, if it be not possible to reduce them in the interest of consumers, and our recommendation in the matter of tariff legislation may be summed up in this motto: "Let well enough alone."

For the Italian Chamber of Commerce in New York.

E. MARIANI, *Vice-President*.

E. PERERA, *Wine Committee*.

All of which is respectfully submitted.

The CHAIRMAN. Have you discussed this question at all from the revenue standpoint?

Mr. HAMILTON. Not in these papers; no, sir.

The CHAIRMAN. Wine is a pretty good revenue producer and has been considered very profitable from the revenue side.

Mr. HAMILTON. I quite agree with you.

The CHAIRMAN. This schedule is a very good revenue producer.

Mr. HAMILTON. That is the reason we indorse the present schedule.

The CHAIRMAN. You want some modification which amounts to a substantial reduction?

Mr. HAMILTON. Only on a few specified wines, but we do believe, if you see fit to raise the general rate of duty, that you will kill the goose, or that you will limit very decidedly her laying capacity. I think you are getting more money at the present time than if the rate was raised. In submitting a brief, if I may be permitted, I will give the data on that particular point.

The CHAIRMAN. Of revenue?

Mr. HAMILTON. Yes, sir.

The CHAIRMAN. Of course, we can get that.

Mr. HAMILTON. I can get that, as I am only a short distance from the custom-house.

The CHAIRMAN. I would like to see the amount of imports in 1895 or 1896, before the enactment of this law, compared with the domestic production, and also the imports in 1907, when things were normal before the panic, compared with the domestic production.

Mr. HAMILTON. I am very much obliged for the suggestion, and I will see that the data is filed with the committee.

Mr. UNDERWOOD. Will you please state what experience you have had in the wine business?

Mr. HAMILTON. Absolutely none, except to drink a little now and then, when somebody else has bought it. I have also acted as lawyer to the collector for the last six years, and have tried to compel a lot of people to obey the law.

Mr. UNDERWOOD. I would like to ask whether, from your experience, if this duty was increased it is your judgment that it would cut off the revenue?

Mr. HAMILTON. From such examination as I have made, sir, during the past thirty days since the matter has come to my care and attention, I am inclined to believe it would. I am inclined to believe it would, along the same line that every lawyer is inclined to believe in his client's interest, but I will, as suggested by the chairman, submit to the committee before December 4 the facts from which you can reach your own conclusion, which will be better than any I can offer.

Mr. UNDERWOOD. Is there any real competition—of course there is some—but is there any real competition between the sparkling wines produced in Europe and those produced in America? Do they not have a separate market that they sell to?

Mr. HAMILTON. I think they do; yes, sir.

Mr. UNDERWOOD. Suppose Congress should determine to adopt a maximum and minimum rate; how would that affect this question? Where do you think the maximum should be placed and where the minimum?

Mr. HAMILTON. I think that perhaps the maximum might be somewhat higher than the present tariff, and the minimum quite some lower.

Mr. UNDERWOOD. When you furnish the other data, will you please furnish the committee with your views on that proposition?

Mr. HAMILTON. If the committee so desires, I will. Unless I should have occasion, after further investigation, to change my views, I will supply that information. I think one thing that Congress should look after very carefully in the passage of a maximum and minimum tariff bill is that we are not making enemies where we now have friends, because with Great Britain such a bill would work, if not

injustice, certainly great irritation, as she has nothing to offer to us and therefore could not, under any circumstance, obtain the minimum rate. I believe that the productions of Great Britain should have the same minimum rates which are granted to the productions of Holland. For instance, take Plymouth gin, and you bring it in and pay \$2.25 a gallon, and you bring in Holland gin, which is manufactured just across the channel, practically the same liquor—a man with his eyes shut can not tell them apart unless he knows the particular brand—with the same alcoholic strength, and they bring theirs in for \$1.25, because of the treaty recently made with Holland. It seems to me that is most unjust to Great Britain.

Mr. UNDERWOOD. What distinction do you draw between reciprocity and the maximum and minimum tariff?

Mr. HAMILTON. There is no question, in my judgment, as to the theoretical propriety of a maximum and minimum tariff based upon reciprocity. The question which I believe Congress has got to work out for its own salvation and the benefit of the country is whether such a tariff can be made without doing greater injury than good. Theoretically free trade is all right; practically I do not believe in it.

The CHAIRMAN. How are we going to meet the maximum and minimum tariffs of France and Germany and all the other nations except Great Britain?

Mr. HAMILTON. I suppose that is a proper question, but I am inclined to say, as I have said to the court once or twice, "it seems to me it is up to the committee."

The CHAIRMAN. My idea of the maximum and minimum tariff is that it would work out the very thing you contend for, putting Great Britain on the same plane with the other countries which have given us the benefit of a minimum tariff.

Mr. HAMILTON. I am with you on that point.

Mr. BOUTELL. You represent what might be called the wholesalers or jobbers in the wine trade?

Mr. HAMILTON. They are importers and wholesalers.

Mr. BOUTELL. But not the producers?

Mr. HAMILTON. And I represent the Italian Chamber of Commerce. They represent the producers and importers.

Mr. BOUTELL. But you do not represent any domestic producers?

Mr. HAMILTON. No, sir.

Mr. BOUTELL. Do you know whether there is any plan of combination on the part of the American wine producers as to uniformity of price?

Mr. HAMILTON. That is a question I have never had put to me before, and I absolutely have no personal knowledge.

Mr. BOUTELL. Have you any reason to suppose that there is any such effort?

Mr. HAMILTON. Nothing of that sort has ever come to my knowledge in any way.

Mr. BOUTELL. One or two expressions used in the memorial seem to me to need some elucidation. They speak of prohibitive rates. As a matter of fact, is it not true in such an article as wine that it depends on the individual taste and that there are no present rates that could be called prohibitive. In other words, is there any domestic wine that has an absolute replica in a foreign wine?

Mr. HAMILTON. No, sir.

Mr. BOUTELL. It is a matter of taste?

Mr. HAMILTON. Absolutely so.

Mr. BOUTELL. And if it suits the consumer's individual taste and he wants it, he buys it?

Mr. HAMILTON. Yes, sir; if he has the money to pay for it.

Mr. BOUTELL. They speak of the interests of the consumer. The rate on wines is 35 cents a gallon, about 9 cents a full quart, but you pick up the bills of fare, the wine lists, and there certainly is a much greater difference in the cost than 9 cents a bottle between what seems to be domestic and foreign wines.

Mr. HAMILTON. I do not think you are correct. That is so, if you speak of the New Astor Hotel and the Holland House and a few other places where a man can squander his money, but if you go to the importers, a man who imports his wines in the wood, I think you will find that there does not exist such a difference between the American and foreign wines.

Mr. BOUTELL. That must be at a very limited number of places.

Mr. HAMILTON. Of course, I do not wish to raise any argument upon the selling price to the individual consumer at a restaurant table, because there the proprietor will get just as much as he can get every time, but if you buy a wine from an importer or from a wholesaler, there is the place to compare the two costs.

Mr. BOUTELL. What I am trying to get at is whether there is any solid foundation in this case, as in many others, for these changes based upon the benefit to the consumer. Now, take the case of sparkling wines at \$8 a case. That is a difference of 66 cents a full quart. Everyone knows, whether he uses it or not, that the difference between the best domestic champagne and the foreign champagne to the consumer is \$2 a quart instead of 66 cents.

Mr. HAMILTON. That is very true. The foreign champagne costs a great deal more to produce than the American champagne; the cost of the product is two or three times greater. If you are referring to still wines, then I agree with you that the consumer does not get the benefit, but it is not only in wines. If you increase the tariff the consumer pays it, and every time you reduce it some other person gets the benefit. You can not change that.

The CHAIRMAN. What do you refer to—French champagne?

Mr. HAMILTON. Yes, sir. That is sold at \$3.50 and \$4 a bottle. Its original production costs much more than the American champagne, but in the case of the still wines I do not think there does exist such a difference in the original cost of production.

The CHAIRMAN. Have you figures covering that or do you speak offhand?

Mr. HAMILTON. I am speaking offhand.

Mr. CLARK. Mr. Boutell was asking you about full quarts. There is not any such thing as a full quart bottle in the United States outside of Texas; at least Doctor Wiley says not.

Mr. HAMILTON. That is what I say, too.

Mr. CLARK. You spoke about the taste of the consumers of wine. There is not one out of 10,000 who can tell one wine from another.

Mr. HAMILTON. No, sir; unless he looks at the label.

Mr. CLARK. He can not tell by tasting the wine?

Mr. HAMILTON. I do not think he can.

Mr. CLARK. When you file your brief, I wish you would go into the question of freight rates. It seems to me, just on the first blush, that you have the matter wrong.

Mr. HAMILTON. I will try to substantiate the statements made here.

I beg the committee to believe that, while I did not prepare this paper myself, I am perfectly willing to stand sponsor for it, and that under no circumstances would I offer verbally or in writing any statements that I do not positively believe are statements of fact, and I propose, in the subsequent brief which I shall file, to determine these facts.

Mr. CLARK. What the committee wants is accurate information.

The following statement was submitted by Mr. Hamilton:

CHANGES DESIRABLE IN TARIFF BILL.

Schedule H.

Paragraph 296: Eliminate text reading: "*And provided further, That there shall be no constructive or other allowance for breakage, leakage, or damage on wines, liquors, cordials, or distilled spirits.*" This phraseology has been construed by the department and by the courts to forbid any allowance to be made for leakage or wantage due to any cause whatever, even though it may have occurred while goods were in transit. As a result of this construction of the law, an allowance of 2½ per cent only of the capacity of a cask or of the invoiced contents is made for "normal" outage, by which is meant evaporation and absorption, and duty is charged on not only the actual quantity contained in the casks upon arrival, but also upon the wantage in excess of 2½ per cent of the capacity or invoiced contents of casks. When a cask arrives entirely empty, no duty is charged thereon, as it is considered a nonimportation, but if there be any of the contents therein, duty is figured upon the same basis as though it were in normal good condition.

If possible, an allowance should be made for natural evaporation or absorption upon wines and liquors in bulk between the time of their importation and their withdrawal for duty payment; and unusual loss through leakage or other causes while in customs custody should also be allowed for. If this be impracticable, then a sliding scale of allowance for shrinkage should be made upon goods while in customs custody, i. e., between the time of arrival and the payment of duty. A similar allowance is made for a period extending through seven years on spirits of American distillation while in the custody of the internal-revenue department, and a similarly graded allowance should be made for shrinkage on imported wines and liquors. Upon American wines there is no provision made for shrinkage, as they are not subject to any tax at any time, and their shrinkage or otherwise is a matter of indifference to the Government.

Par. 296. "Wines, cordials, brandy, and other spirituous liquors, including bitters of all kinds, and bay rum or bay water imported in bottles or jugs, shall be packed in packages containing not less than one dozen bottles or jugs in each package, or duty shall be paid as if such package contained at least one dozen bottles or jugs, and in addition thereto duty shall be collected on the bottles or jugs at the rates which would be chargeable thereon if imported empty." This paragraph should be eliminated, as it compels the payment of duty on one or two or three bottles that may have been imported as samples at the same rate as though there were one dozen bottles.

Par. 299. "Cherry juice and prune juice or prune wine and other fruit juices not specially provided for in this act containing no alcohol or not more than 18 per cent of alcohol, 60 cents per gallon; if containing more than 18 per cent of alcohol, 60 cents per gallon, and in addition thereto, \$2.07 per proof gallon on the alcohol contained therein." This should be raised to 20 per cent of alcohol, as fruit juices must contain very nearly, if not quite, 18 per cent of alcohol to prevent their fermentation, unless some preservative is added, which would be contrary to the provisions of the pure-food law. Fruit juices during certain seasons of the year are likely to increase in alcoholic strength while in transit, so that even though they may contain less than 18 per cent of alcohol at the time of shipment, they are not unlikely to slightly exceed this limit at the time of arrival. If the other alternative of shipping at a lower alcoholic

strength be adopted, the fruit juice is very likely to ferment in transit, causing the casks to burst or spread so that the contents are partially or wholly lost. The limit of alcoholic strength should therefore be increased to 20 per cent, which would make it entirely safe to ship fruit juices without making them liable to an additional duty which is absolutely prohibitive.

SEC. 3. We ask to have equal rates of duty on British liquors with those of all other countries.

THE WINE AND SPIRIT TRADERS' SOCIETY OF UNITED STATES FILES BRIEF RELATIVE TO WINES AND SPIRITS.

NEW YORK CITY, *December 12, 1908.*

WAYS AND MEANS COMMITTEE,
Washington, D. C.

GENTLEMEN: Supplementing the statement made to you on November 12 in behalf of the Wine and Spirit Traders' Society of the United States, I have the honor to submit the following data, to wit:

The committee did me the honor to request certain information touching various subjects affecting the importation of European wines and liquors, which information I have been able to obtain and herewith submit:

Notes on tariff—Approximate freight rates.

	Per case.	Per gallon.		Per case.	Per gallon.
	<i>Cents.</i>	<i>Cents.</i>		<i>Cents.</i>	<i>Cents.</i>
Champagne.....	22		Marsala		9½
Bordeaux wines	15	2½	Scotch whisky	20	5
Rhine wines	23½	3½	Irish whisky	20	
Vermuth.....	10	2½	Brandy	25	4½
Sherry	20	4½	Jamaica rum	26	3½
Port.....	42	4½	English gin	15	
Tarragona (Spanish red and white)		3½	Holland gin	28	

The above rates are quoted from the following shipping points to New York:

Champagne, f. o. b. Rheims.
Bordeaux wines, f. o. b. Bordeaux.
Rhine wines, f. o. b. Rotterdam-Ant-
werp.
Vermuth, f. o. b. Turin.
Sherry, f. o. b. Cadiz.
Port, f. o. b. Oporto.
Tarragona, f. o. b. Tarragona.

Marsala, f. o. b. Palermo.
Scotch whisky, f. o. b. Glasgow.
Irish whisky, f. o. b. Liverpool.
Brandy, f. o. b. Charente.
Jamaica rum, f. o. b. London.
English gin, f. o. b. London.
Holland gin, f. o. b. Rotterdam.

The following freight rates are in force on through shipments to Chicago:

	Cases.	Wood.		Cases.	Wood.
Rheims	83½		Charente	89	72
Cadiz	104	81	Genoa	81½	64½
Oporto	115	84	Belfast	91	72
Glasgow	90	71			

The following are the approximate weights (bulk wines, whiskies, brandies, etc., 10 pounds per gallon, included) :

Cases.

	For 12 bottles.	For 24 half bottles.		For 12 bottles.	For 24 half bottles.
	<i>Lbs.</i>	<i>Lbs.</i>		<i>Lbs.</i>	<i>Lbs.</i>
Champagne.....	67	77	Irish whisky.....	45	.....
Rhine wines.....	57	63	Brandy.....	48	60
Vermuth.....	58½	.....	Jamaica rum.....	54	.....
Cased cherries.....	50	53	Cased madeiras.....	54	54
Cased ports.....	50	53	Sparkling Rhine wine.....	70	75
Scotch whisky.....	50-52	.....		

Referring to the cost of labor in Europe, as compared with that in the United States, I am able to state to the committee that vineyard labor costing from 30 to 40 cents per day ten years ago is now paid 60 to 80 cents per day, according to location, and as proof of this I refer to an article, "Charities and commons," volume 20, No. 5, May 2, 1908, published in New York. On page 173 it is stated—

The landholders are grumbling (in Italy) because they can not find enough men to care for their grapes, because wages have doubled and they are getting into debt.

It must be further noted that immigration from Italy, Germany, France, and other European countries has so depleted the ranks of labor as to increase the wages in these countries fully 100 per cent within the last ten years, whereas in California, Asiatic labor is coming more and more into use at prices which favorably compete with the lowest grade of prices in Europe.

The inland freights upon wines in Italy, Germany, and France will average more than 7½ cents per gallon to the seaboard, while California wine, by the statement of the California shippers, can be shipped at a cost not to exceed 4 cents per gallon from the point of production to the seaboard. Comparison with the rates given above and rates upon California wines to the Middle West or to the eastern seaboard will show that the California product has a decided advantage.

Let us illustrate our statement with a few examples: To ship from Cernignola, Italy, which is an important wine-growing district, about 200 miles southeast of Naples, to New York, it costs 8½ cents per gallon, and from the Province of Basilicata, which is comparatively nearer to Naples, but in unfavorable conditions as regards means of communication, it costs as much as 9½ cents per gallon.

When foreign wine has reached New York or any other Atlantic coast port it has reached one market of consumption, but not yet the inland markets of the United States, to which, however important its consumption may be in New York, it is distributed according to demand. Italian and foreign wines go as far as San Francisco, which in the year 1906 imported by direct shipment alone (without taking into account the quantity received through New York dealers) 20,605 cases and 2,399 gallons. Chicago (with 34,867 gallons and about 10,000 cases of Italian wines received directly in the year 1906), Pittsburg Buffalo Cleveland Cincinnati, St. Louis, St. Paul, Denver,

etc., the many important and thriving manufacturing cities in New England, the States of New York, Pennsylvania, Ohio, Illinois, and other prosperous Middle West, Western, and Southern States, are all markets where numerous customers of wine exist; and, although some of them receive direct importations, they are, however, mostly tributary to New York, which books and fills their orders for small quantities at a time.

To reach these markets foreign wines have to pay additional freight, which, in case of shipment from New York to San Francisco and other western points, is higher than in the case of the freight upon California wines sent to the eastern markets. Without going as far as San Francisco, let us take, for instance, the case of imported wine sent from New York to Chicago, which is only one-third of the distance, and where about 100,000 foreign-American citizens ask for those wines. Foreign wine, after having paid about $7\frac{1}{2}$ cents per gallon, against $4\frac{1}{2}$ cents for California wine shipped by sea to reach New York, has to pay an additional freight of 65 cents per hundred pounds, gross weight, or about $7\frac{3}{8}$ cents per gallon, to reach Chicago, making a total of $14\frac{1}{2}\frac{3}{8}$ cents per gallon, or almost double the freight of $7\frac{1}{2}$ cents per gallon paid by California wine to reach that market.

California, in shipping to inland markets, has the advantage of carload rates, which imported wines have not, as the demand for such wines is only for smaller quantities at a time. It is a fact that through rates from foreign ports to some inland markets of the United States, such as Chicago, exist, but they are practically unavailable because carload orders for imported wines are never received from such markets. In actual business the rates paid are not the through rates, but the rate to New York first, and thence the rate from New York to Chicago.

While for California wines New York is the last point reached, for imported wines it is only the first point, and in considering the pros and cons in the matter of freights equity requires that the same field be covered in the case of foreign as in that of domestic wines, when it will be seen that the advantage in freight is by far on the side of the domestic product to the extent, we would say, of 100 per cent in favor of the latter.

Second. That more than one-half of the California wine shipped to New York, in fact, all important shipments, do not come by railroad, but by sea, subject to a rate of $4\frac{1}{2}$ to $5\frac{1}{2}$ cents per gallon. In the year 1907 the arrivals by sea of California wine to New York were 1,503,700 gallons, and the shipments in the previous five years were as follows:

	Gallons.
1906.....	1, 887, 900
1905.....	2, 843, 550
1904.....	3, 641, 700
1903.....	3, 431, 390
1902.....	3, 407, 445

"However, these figures," notes the Bonfort's Wine and Spirit Circular, at page 216, volume 69, No. 5, January 10, 1908, "do not indicate that the consumption of California wines is decreasing, for as a matter of fact it is on the increase. Whether California wines arrive by sea or by rail, is pretty largely a matter of existing freight rates."

The lower figures in the arrivals of California wine by sea during the last three years were due to the destruction of the old stock by the San Francisco fire of April, 1906, in consequence of which 15,000,000 gallons were lost; so that not only was the supply materially reduced, but shipments had to be made from inland California points, in which case it was more convenient to ship by rail than by sea.

The reciprocity rate of 35 cents per gallon on wine from Italy has been in force from July, 1900, and as the shipments by sea of California wines to New York have since increased up to 1904, this shows in the following years, however meaningless this decrease in the shipments by sea has been with regard to the consumption of California wines, which, as Bonfort's Wine and Spirit Circular states, has not decreased, greater having been the quantity of California wine shipped by the overland route since 1906.

Investigation with regard to the transportation of European wines throughout the Rhine district from points of production to the sea-board shows an average cost of from 22 to 25 cents per case, which may be fully established by the examination of any of the through bills of lading of any shippers of French or German wines.

A number of misstatements were made by those representing the California interests; among others it may be stated that the importation of Italian wines had increased 1,000 per cent within the past four years, while the official records show that in 1907 it was 32 per cent greater than in 1904, and that the total export trade of Italian wines was scarcely more than $2\frac{1}{2}$ per cent of the total production.

The increase in the importation of Italian wines from 97,150 cases in 1901 to 198,785 in 1907 results from the increased Italian immigration to the United States during these years—more than 150,000 additional immigrants having arrived in 1907 than the number who arrived in 1901. Notwithstanding the increased importation of Italian wines, it is apparent that they do not compete with or interfere with the sale of California wine, for during the entire period from 1901 to 1908 the minimum cost for foreign wine in New York has been 70 cents per gallon, while the minimum cost of California wine has been $36\frac{1}{2}$ cents per gallon. These wines are of distinctly different quality and supply a distinctly different demand.

It was suggested by the chairman upon the first hearing upon this subject that wines were good revenue producers, and I desire to submit to the committee the proposition that such is the case only where wines and liquors are imported under a moderate tariff. Comparison of importations will show that at no time has the importation of either wines or liquors under a high tariff equaled the importation of the same goods in quantity when brought in under a moderate or low tariff, so that as a revenue producer a moderate or low tariff works much more to the interest of the Government than a high tariff, which approaches prohibition.

The committee was good enough to ask the opinion of the Wine and Spirit Traders' Society as to the operation of a maximum and minimum tariff rate, and by full discussion of this question I am prepared to advise the committee that my clients approve such a tariff; provided, however, that the maximum rate be no higher than as at present fixed by the law, the minimum rate to be from 20 to 30 per cent

less. In other words, it is the belief of the gentlemen interested in this line of business that to advance the tariff in any regard upon wines or liquors from its present rate would be to decrease the importation, and thereby decidedly decrease the revenue.

Another item of expense incident to the production of foreign wines which has impressed itself upon the trade during the past twenty-five years is the necessity for additional fertilization, as against new and rich ground of the United States, and the further fact that spraying has become a necessity in all the vineyards of the wine-producing districts of France and Germany. As a result, none of the French or German wines can be placed at the seaboard to-day without an additional expense from 15 to 25 per cent more than their cost twenty years ago.

Mr. Lee J. Vance, of California, stated before the committee on November 12 that certain French wines were sold at 8 and 9 cents a gallon in the foreign market at auction. He evidently left it to be inferred by the committee that such low-priced wines were imported into this country. This is not the case, for the reason that they are new wines, incapable for importation. Not one gallon of this wine has been imported into the United States; as it would be vinegar when it arrived.

This wine is made from a third pressing, and is produced for the poorest class of consumers in France. It is called "Picquette," and is sold and drank in the region where it is made.

As a sample of the loose and misleading statements made by the California representatives, we call attention to a single instance: Referring to the statement by Mr. Morgan, in which he states that the importation of Italian wine containing more than 14 per cent of alcohol advanced from 64,428 gallons to 1,736,702 gallons in 1907, which figures Mr. Morgan claims to have taken from the Evans tables, I desire to state that by investigation of the records of the custom-house at New York Mr. Morgan's figures appear to be in error, and that the importation of wines, as shown by the records of the New York custom-house for the year 1907-8, do not cover any Italian wines having more than 14 per cent alcohol, and that it therefore must be concluded that the Evans figures are transposed through some error.

Mr. Morgan stated the annual total production of wine in the United States is upward of \$55,000,000, but evidently he meant to state that it was gallons, and the value of such a crop would be about \$17,000,000.

The Wine and Spirit Traders' Society will hereafter submit to the committee carefully prepared papers upon alcoholic wines and liquors coming into the United States.

THE WINE AND SPIRIT TRADERS' SOCIETY,
By FRANCIS E. HAMILTON, *of Counsel*.

STATEMENT OF PERCY T. MORGAN, OF SAN FRANCISCO, CAL.,
REPRESENTING THE CALIFORNIA WINE PRODUCERS.

THURSDAY, *November 12, 1908.*

Mr. MORGAN. I represent the general committee on tariff revision of the State of California, which was appointed at the instance of the governor of California, for the particular purpose of presenting questions on the wine schedule. I also represent the Manufacturers and Producers' Association of California and the Grape Growers of California, and other organizations formed for the protection and advancement of the California wine industry.

Before I commence my general remarks I want to point to the fact that California is a long way from the principal consumptive markets of the United States. It is so far that when I received the hurried call from the chairman of this committee it took me four and a half days almost, by the fastest limited trains, to come across the continent, and the distance for freights, while the same in mileage, is very much larger in point of time. The period which it takes for freight to come from California to the consumptive markets in the East is very much greater than the time which it takes to come from European points by regular liners to New York. Therefore in providing for the consumptive demands of domestic wines it is necessary to have depots in a large consuming center like New York, and the expenses of distribution therefore are increased by that item.

In presenting to you the details which I have, I shall have to give very largely figures, and then base a short argument upon those figures, which I have collated in the short time which I have been in Washington, and which I derived very largely yesterday from the departments here.

It is a matter of interest to show the extent of the vine-growing industry in the United States.

I would therefore state that the total acreage in the United States devoted to the culture of the vine is closely estimated at 340,000 acres. Of this total, about 245,000 acres, or over 70 per cent, are in the State of California. A part of this acreage is devoted to the cultivation of the raisin and table grapes, but in unfavorable seasons the producers of these grapes look to the wineries and distilleries to save them from loss. The total investment in the vineyard industry in the United States is closely estimated at \$150,000,000. Probably it largely exceeds that, if the value of the land for other purposes, the land on which the grapes are grown, is taken into consideration; that is, the increase of value due to the increase of population, and therefore its uses for other purposes.

The total annual production of wine in the United States is upward of 55,000,000 gallons. Of this, about four-fifths is produced in the State of California. Of the total production, about 16,000,000 gallons annually, according to the report of the Commissioner of Internal Revenue, is sweet wine fortified under the act of October 1, 1890, as amended August 28, 1894, and June 7, 1906. The balance, approximately 39,000,000 gallons, is what is known as dry wines—that is to say, wines containing alcohol produced by the spontaneous fermentation of the sugar contents of the grape.

Under the original provisions of the tariff act of 1897, paragraph 296 of section 2, the import duty on "Still wines, including ginger wine or cordial, and vermouth" in casks or packages other than bottles or jugs, if containing 14 per cent or less of absolute alcohol, was placed at 40 cents per gallon, but if containing more than 14 per cent of absolute alcohol and not more than 24 per cent, the duty was placed at 50 cents per gallon. In bottles or jugs per case of 1 dozen bottles or jugs containing each not more than 1 quart and more than 1 pint, or 24 bottles or jugs containing each not more than 1 pint, \$1.60 per case; and any excess beyond these quantities found in such bottles or jugs to be subject to a duty of 5 cents per pint or fractional part thereof, but no separate or additional duty to be assessed on the bottles or jugs.

It will be observed that in this original paragraph a distinction in duty was made between "dry" wines; that is to say, wines containing 14 per cent or less of absolute alcohol, and "fortified" wines; that is to say, wines in which distilled spirits have been added to the natural alcohol produced by fermentation of the sugar in the grapes.

Through the operation of section 3 of the tariff of 1897, the President was authorized and empowered, on obtaining concessions from other nations in favor of the products or manufactures of the United States which, in his judgment, should be reciprocal and equivalent, to suspend by proclamation the imposition and collection of the duties hereinbefore mentioned, and to substitute therefor the following rates:

Still wines, and vermouth, in casks, 35 cents per gallon, in bottles or jugs, per case of one dozen bottles or jugs, containing each not more than one quart and more than one pint, or 24 bottles or jugs containing each not more than one pint, \$1.25 per case, and any excess beyond these quantities found in such bottles or jugs shall be subject to a duty of 4 cents per pint or fractional part thereof, but no separate or additional duty shall be assessed upon the bottles or jugs.

Under this new arrangement no distinction was made between dry wines containing less than 14 per cent of alcohol and fortified wines up to 24 per cent containing distilled alcohol. In other words, all wines containing up to 24 per cent of alcohol, from whatever source derived, were placed upon the same plane of import duty. The dates at which reciprocal arrangements were made with various countries was as follows: With France, June, 1898; with Portugal, June, 1900; with Italy and Germany, July, 1900; with Spain, September, 1906.

A comparison of labor conditions, from data obtained through the Bureau of Labor of the Department of Commerce and Labor, and compiled by them from authorities quoted in the volume entitled "Wages in Commercial Countries, 1900," and from subsequent data which the bureau has been courteous enough to furnish from wine-producing countries which compete with the United States, shows the following:

Coopers.—France, from 74 cents to \$1.54 per day; Germany, from 59 cents to \$1.52 per day; Spain, from \$1.06 to \$1.25 per day; Italy, from 24 cents (doubtless including board) to \$1.35 per day, without board; Austria, from 49 cents to 60 cents per day. The wages of

coopers in California are fixed by the union scale and have ranged from \$3.50 to \$4 per day.

Cellar hands.—France, 24 cents to \$1.30 per day; Germany, 60 cents to 95 cents per day; Spain, 48 cents to 92 cents per day; Italy, not given; Austria, not given; California, from \$1.67 to \$3.07 per day.

Vineyard hands.—France, 43 cents to 87 cents per day; Germany, partial statistics only, but probably including board, 31 cents to 43 cents per day; Spain, not given; Italy, 39 cents to 48 cents per day; Austria, from 18 to 32 cents per day, with board and lodging. The minimum wages prevailing for vineyard labor in California are \$1.75 per day, or if furnished with board and lodging, \$1 per day.

The cost per ton for picking grapes in California vineyards runs from \$1.50 to \$2.25 per ton of grapes, and laborers frequently make from \$4 to \$6 per day during the grape picking season, and labor is often scarce, even at such remuneration. In Europe during the grape picking season women and children are frequently utilized to gather the crops at a very low rate of wages, stated on good authority to be about 20 cents per day, while male laborers command from 43 to 87 cents per day.

The rates of freight on wine in casks from European countries, to New York, nearly all of which is carried by regular liners in foreign bottoms, are approximately as follows: From Bordeaux or Havre, France, $2\frac{1}{4}$ cents per gallon; from Cadiz, Spain, $3\frac{1}{2}$ cents per gallon; from Italy, about 2 cents per gallon.

The freight rate from Europe on bottled wines is approximately 15 cents per case of one dozen quarts, or two dozen pints. In the freight rate on wines from California two factors enter—the freight on staves, heading, and hoops for barrels, from the East to California, and the freight on the wine filled into cooperage from California points to the East. The rate of freight on staves and heading West is 85 cents per hundred pounds, and on steel hoops 75 cents per hundred pounds. The rail rate on wine in casks from California to eastern points is 75 cents per hundred pounds, and on wine in glass \$1 per hundred pounds. A very large proportion of the wine goes by rail for the reason that the water lines have had uncertain carrying capacity, or too irregular dates of sailing for commercial purposes.

The average cost, therefore, of freight on wine and cooperage which California wines must sustain aggregates about $8\frac{3}{4}$ cents per gallon, and wines in glass about 54 cents per case. Thus the disadvantage in freight conditions, which militates to reduce the tariff protection, averages over 6 cents per gallon of wine in casks and 39 cents per case of one dozen quarts in glass.

In Belgium the cost of quart bottles is approximately 30 cents per dozen, while the import duty on quarts into the United States is approximately $13\frac{1}{2}$ cents per dozen, and about the same on pints per dozen; the specific duty on glass bottles into the United States being 1 cent per pound on bottles holding more than a pint and $1\frac{1}{2}$ cents per pound on bottles holding a pint. Under the reciprocity tariff these bottles when filled with wine are admitted free of duty, which therefore either tends to a reduction of duty on the wines themselves

of approximately 13½ cents per case of one dozen quarts, or 26 cents per case of two dozen pints, or else militates to increase the cost of bottling wines to the domestic producer, who is allowed no rebate on the duty he is compelled to pay on imported bottles and corks, or on the increased cost of labor on bottles made in the United States, the cost of the bottles and corks in California being about 60 cents per dozen.

Thus, in the ultimate, wines imported in bottles, and presumably of the higher grades, pay a less rate of duty than wines imported in casks; this peculiarity of the law being accentuated by the fact that the duty on any quantity of wine in excess of 1 quart contained in a bottle is assessed at 4 cents per pint, or 32 cents per gallon, instead of 35 cents per gallon, as in the case of wines in bulk.

Into the putting up of bottled wines the labor question also very largely enters. It is very much more expensive to fill wines into a small container like a quart or a pint bottle and to supply a separate cork for each bottle than to fill wine into a 50 or 60 gallon cask. The cost of cellar labor in the United States being about double what it is in Europe, it tends to accentuate the disadvantage under which the bottler of domestic wines labors. The bottler of domestic wines must also pay duty upon the corks, while in imported wines these enter free of duty. In consequence of these disadvantages the shipment of bottled wines from California is of insignificant volume, while importations from foreign countries have increased from 440,869 cases in 1903 to 636,938 cases in 1907, or over 44 per cent.

Imported wines and vermouth containing as high a degree of alcohol as 24 per cent, or in revenue parlance 48° proof, are admitted into the United States under a duty of 35 cents per gallon. These wines are, under the regulations of the Internal Revenue Department, permitted to be used by rectifiers and in the making up of medicinal preparations. Such use, however, of domestic wines, fortified under the sweet-wine law, is prohibited either by law or by regulation of the Internal Revenue Department. There is no limit, up to 24 per cent, to which imported wines may not be fortified with any kind of distilled spirits, nor any rule as to the percentage of naturally fermented alcohol to be contained in them; neither is there anything to prevent the fortifying with distilled spirits of foreign wines from which all the sugar has been fermented out; in other words, dry wines.

In connection with that I would like to read a telegram which I sent to the Bureau of Chemistry of the Department of Agriculture, and the reply which I received, because the foregoing statement may be contested. The telegram which I sent was as follows:

NOVEMBER 9, 1908.

DR. H. W. WILEY,

Chief, Bureau of Chemistry, Washington, D. C.:

I shall arrive Wednesday to attend meeting of Ways and Means Committee on tariff, wine schedule, and shall esteem it a great favor if you will kindly mail me to New Willard Hotel a statement regarding what rules or limits, if any, are prescribed under the food laws regarding percentage of distilled spirits and natural or added sweetening which may enter into the composition of still wines and vermouth, containing up to 24 per cent alcohol, imported from abroad under reciprocity treaties at 35 cents per gallon. See section 3 in connection with paragraph 296 of section 2 of Dingley tariff of 1897.

Doctor Wiley was away when that telegram arrived, but it was answered by Doctor Dunlap, the acting chairman, as follows:

UNITED STATES DEPARTMENT OF AGRICULTURE,
BOARD OF FOOD AND DRUG INSPECTION,
Washington, D. C., November 10, 1908.

MR. PERCY T. MORGAN,
The New Willard, Washington, D. C.

DEAR SIR: I have your telegram of November 9, but regret to have to inform you that the department has formulated no standards or limits regarding the percentage of distilled spirits and natural or added sweetening materials which may enter into the compensation of still wines and vermouth containing up to 24 per cent of alcohol.

Respectfully,

F. L. DUNLAP,
Acting Chairman.

In the case of domestic wines the fortification is under strict regulations, which prohibit the adding of other than grape spirits. The wine to be fortified must contain not less than 4 per cent of saccharine matter, and the amount of wine spirit to be added must not exceed 14 per cent of the volume, under penalty of forfeiture. Dry and fortified wines of foreign origin may be blended together, but this, in the case of similar domestic wines, is prohibited by regulations of the Internal Revenue Department.

Since the reciprocity tariffs have been put into effect the importation of wines has immensely increased, as appears from the following table:

Importations at the port of New York year ending December 31.

[Reprinted from Bonfort's Wine and Spirit Circular.]

	1901.		1902.		1903.		1904.	
	Gallons.	Cases.	Gallons.	Cases.	Gallons.	Cases.	Gallons.	Cases.
Champagnes.....		228,679		263,280		270,357		304,558
Bordeaux and Burgundy.....	258,420	85,740	239,700	95,757	229,860	89,546	207,620	93,267
Cette wines.....	25,850		57,080		27,845		34,862	
Rhine and Moselle.....	385,280	59,613	428,800	53,617	498,680	79,754	606,880	84,614
Sherry.....	476,251		486,459		539,377		510,887	
Spanish red.....	54,896		49,508		39,148		57,674	
Port.....	67,727		74,583		86,055		97,240	
Madeira.....	4,327		4,436		2,926		4,934	
Italian wines.....	87,766	63,458	348,480	70,406	523,840	93,805	454,400	103,630
Brandy.....	85,354	35,275	73,739	43,993	88,803	48,442	86,731	51,979
Holland gin.....	38,461	10,828	38,733	14,712	46,456	16,232	33,465	15,996
British gin.....	41,756	51,999	49,321	56,649	40,695	62,792	39,636	74,547
St. Croix rum.....	18,874		7,933		8,271		8,651	
Jamaica rum.....	21,287		36,579		22,023		25,386	
Scotch and Irish whiskeys.....	60,399	100,045	34,274	116,706	66,648	118,136	62,126	132,698
Cordials.....		57,250		84,205		89,439		90,504
California wines (by sea).....	3,389,845		3,407,445		3,431,390		3,641,700	
California brandies (by sea).....			5,350		3,500		2,465	

Importations at the port of New York year ending December 31—Continued.

	1905.		1906.		1907.	
	Gallons.	Cases.	Gallons.	Cases.	Gallons.	Cases.
Champagnes.....		287,914		276,528		262,620
Bordeaux and Burgundy.....	231,640	84,085	212,000	86,205	254,580	99,556
Cette wines.....	36,650	50	37,936		39,836	
Rhine and Moselle.....	588,640	77,924	593,520	83,833	593,440	83,567
Sherry.....	547,179	4,089	550,660	5,977	657,797	9,161
Spanish red.....	62,648		59,541		144,127	
Port.....	106,692	3,767	112,957	3,105	115,407	4,069
Madeira.....	7,642	83	7,960	261	5,776	242
Italian wines.....	654,780	130,605	981,300	99,523	1,263,040	144,769
Brandy.....	76,908	56,832	84,492	73,199	98,154	95,115
Holland gin.....	26,081	18,075	23,347	18,280	27,961	18,847
British gin.....	36,395	91,740	37,126	108,641	31,037	118,350
St. Croix rum.....	7,814		5,592	25	10,835	71
Jamaica rum.....	24,762	677	28,053	731	30,014	1,502
Scotch and Irish whiskies.....	59,540	127,900	50,532	136,546	53,802	139,854
Cordials.....		112,981		141,825		184,700
California wines (by sea).....	2,843,550		1,887,900		1,503,700	
California brandies (by sea).....	1,830		840		360	

MR. CLARK. Mr. Morgan, has that reduced the sales of domestic wine below what they were in 1897?

MR. MORGAN. Yes; 25 per cent; yes, sir.

MR. CLARK. Absolutely reduced the quantity sold?

MR. MORGAN. The figures, Mr. Clark, are these: The high point of California wine was 8,374,000 gallons, and last year it had fallen to 6,324,000 gallons, or a reduction of 25 per cent. This information is taken from the arrivals as given in the Journal of Commerce, New York.

MR. UNDERWOOD. Was that after the panic or before it?

MR. MORGAN. The panic only occurred on October 23, 1907, and at that time the shipping and selling season was practically over. The orders were nearly all in by that time. You will understand October 23 is toward the end of the season.

MR. UNDERWOOD. What was the effect in 1906?

MR. MORGAN. It was a falling off to 6,324,600, or approximately the same thing.

MR. CLARK. You confine that to California. There is a big slice of country outside of California, you know. What is the total amount of consumption of American wine that has fallen off after the negotiation of these reciprocity treaties?

MR. MORGAN. Mr. Clark, that is an impossible question for me to answer, for the reason that I can only state points at which the statistics are known. I am merely taking now the port of New York, not the total.

MR. CLARK. Is there anybody that we can get the facts out of?

MR. MORGAN. I doubt very much whether those facts can be arrived at. I have tried to arrive at them. I simply took the port of New York because that is the principal port into which importations come, the principal port to which California wines have always been shipped. There is no other port which comes within 60 per cent of that amount, and the point at which the competition of imported wines is the most pronounced.

MR. CLARK. Would the Internal Revenue Commissioner be able to tell the total consumption of imported wine in the United States?

MR. MORGAN. I think not, Mr. Clark, because his supervision only extends to fortified wines, and not otherwise.

MR. BOUTELL. Before you pass from that point, Mr. Morgan, may it not be possible that the very large increase in the importation of Italian wines may be due to the enormous increase of Italian immigration—to immigrants, all of them continuing to use the Italian wines?

MR. MORGAN. Oh, that would not account for the falling off in the California wines. We should certainly have had some of that trade.

MR. BOUTELL. But would not that be due largely to the enormous increase in the Italian population?

MR. MORGAN. Mr. Boutell, the increase in the Italian population has not been 1,000 per cent. The increase of Italian wine in New York from 1901 to 1907 was from 87,766 gallons in 1901 to 1,263,040 gallons in 1907. I was just coming to that point, because in my argument I have made this remark: "The increase in Italian wines into New York from 87,766 gallons in bulk in 1901 to 1,263,040 gallons in 1907 is so remarkable that it leads to an examination of what character of wines these are."

Turning to page 58 of the report of imports entered for consumption during the year ending June 30, 1907—the report prepared by the Bureau of Labor Statistics of the Department of Commerce and Labor on "Imports of merchandise into the United States," the following is developed, from Italy: Imports of still wines containing 14 per cent or less of absolute alcohol, 64,428 gallons; from Italy, wines containing more than 14 per cent of absolute alcohol—and remember this is a point I desire to make, that of the wine containing more than 14 per cent alcohol—there was 1,736,702 gallons. This is from a dry-wine country. The total quantity of wine imported from countries enjoying reciprocity treaties for the year ending June 30, 1907, was as follows:

Wines containing less than 14 per cent absolute alcohol from Italy. 64,428 gallons; and 1,736,702 gallons containing more than 14 per cent.

MR. CLARK. What year was that?

MR. MORGAN. The year ending June 30, 1907.

MR. CLARK. Is that an increase or a decrease?

MR. DALZELL. That is a tremendous decrease. In 1906 it was 1,374,403 gallons, as against 64,428 gallons in 1907.

MR. MORGAN. One moment, Mr. Dalzell. You have a total there. I am differentiating between wines that contain less than 14 per cent alcohol and wines that contain more than 14 per cent alcohol.

MR. DALZELL. This is wine containing more than 14 per cent of absolute alcohol brought in in 1906, 1,374,403 gallons, as against 1907, 64,428 gallons.

MR. MORGAN. Which shows that they had got onto themselves.

MR. DALZELL. Had got what?

MR. MORGAN. I say it shows they had got onto themselves; that it was more profitable to send over wines containing more than 14 per cent alcohol than to send over wines containing less than 14 per cent. That is the point I am trying to make.

MR. LONGWORTH. What Italian wines contain less?

MR. MORGAN. If they are "dry" wines they would contain less than 14 per cent because it is almost impossible to obtain a natural fermentation would form more than 14 per cent.

Therefore the balance should be obtained from distilled spirits. Personally I do not know anything about Italian wines. I do not know whether they contain 30 or 50 per cent of alcohol. I am obtaining my data from the Government.

The CHAIRMAN. You get your data from the Government as they are collected?

Mr. MORGAN. Certainly. These are the statistics of the Department of Commerce and Labor.

Mr. CLARK. Did the Californian wine growers make as much wine this year as they did in the years before?

Mr. MORGAN. Yes, sir; and unfortunately they have got it dammed back in California now, and it is playing havoc with us.

Mr. CLARK. Why don't you ship it out?

Mr. MORGAN. Because we have no sale for it. Anybody who knows the wine industry in California knows that the industry is facing a crisis such as it has not known in fifteen years.

Mr. CLARK. Why don't you ship it in bulk from California to Europe, like these fellows in Europe do here?

Mr. MORGAN. That point I do not want to answer now, because I am coming to it later on in my argument.

Mr. CLARK. All right.

Mr. CRUMPACKER. Mr. Morgan, the statistics of imports quoted by Mr. Dalzell had reference to the shipments in packages—in casks, other than in bottles and jugs.

Mr. MORGAN. I am reading from page 58 of imports entered for consumption in the year ending June 30, 1907. It is as follows:

	Rate of duty.	Quantity.
Still wines:		
In casks or packages other than bottles or jugs—		
Containing 14 per cent or less of absolute alcohol (gallons).....	40 cents per gallon....	50,029.10
Containing 14 per cent or less of absolute alcohol—		
Reciprocity treaty with France (gallons).....	35 cents per gallon....	73,905.53
Reciprocity treaty with Germany (gallons).....	35 cents per gallon....	203,774.11
Reciprocity treaty with Italy (gallons).....	35 cents per gallon....	64,423.86
Reciprocity treaty with Portugal (gallons).....	35 cents per gallon....	7,408.92
Reciprocity treaty with Spain (proof gallons).....	35 cents per gallon....	109,456.20
Reciprocity treaty with Switzerland (proof gallons).....	35 cents per gallon....	56.00
Containing more than 14 per cent of absolute alcohol—		
Reciprocity treaty with France (gallons).....	35 cents per gallon....	491,830.47
Reciprocity treaty with Germany (gallons).....	35 cents per gallon....	768,784.21
Reciprocity treaty with Italy (gallons).....	35 cents per gallon....	1,736,702.36
Reciprocity treaty with Portugal (gallons).....	35 cents per gallon....	128,280.76
Reciprocity treaty with Spain (gallons).....	35 cents per gallon....	675,327.64
Reciprocity treaty with Switzerland (gallons).....	35 cents per gallon....	1,661.00
In bottles or jugs—		
Containing each not more than 1 pint (dozens).....	80 cents per dozen....	66.00
Containing each not more than 1 pint—		
Reciprocity treaty with France (dozens).....	62½ cents per dozen....	794.67
Reciprocity treaty with Germany (dozens).....	62½ cents per dozen....	349.83
Reciprocity treaty with Italy (dozens).....	62½ cents per dozen....	240.00
Reciprocity treaty with Spain (dozens).....	62½ cents per dozen....	28.00
	\$1.60 per dozen.....	29,171.17
	Duty remitted.....	273.00
	(Sec. 14, act July 24, 1897.)	
	Duty remitted.....	28.00
	(Sec. 15, act July 24, 1897.)	
Containing each more than 1 pint and not more than 1 quart (dozens).....	75 per cent of \$1.60 per dozen.	1.00
Do. (from Philippine Islands).....		
Containing each more than 1 pint and not more than 1 quart—		
Reciprocity treaty with Cuba (dozens).....	\$1.60 per dozen less 20 per cent.	9.00
Reciprocity treaty with France (dozens).....	\$1.25 per dozen.....	146,445.78
Reciprocity treaty with Germany (dozens).....	\$1.25 per dozen.....	157,682.33
Reciprocity treaty with Italy (dozens).....	\$1.25 per dozen.....	103,596.50

Now, I will read from page 336 of "Imports of merchandise," years ending June 30, 1903-1907, giving total importations into this country of wine in casks.

	Still wines: In casks. (Dutiable.)				
	Gallons.	Gallons.	Gallons.	Gallons.	Gallons.
Europe:					
Austria-Hungary.....	30,038	33,624	31,021	37,156	43,666
Azores and Madeira Islands.....	4,701	6,777	9,035	8,628	8,975
Belgium.....	8,075	4,942	10,871	8,970	6,423
France.....	418,209	395,746	386,335	379,949	427,767
Germany.....	1,030,982	1,011,708	990,159	960,141	950,633
Gibraltar.....		23		25	83
Greece.....	13,756	21,010	21,433	23,570	25,097
Italy.....	689,626	974,190	1,077,594	1,420,484	1,860,227
Malta, Gozo, etc.....	264				
Netherlands.....	8,001	13,447	4,447	5,883	3,665
Portugal.....	123,768	138,717	128,962	135,874	154,396
Russia in Europe.....				150	278
Spain.....	851,304	877,414	801,284	928,924	1,079,839
Switzerland.....	6,353	3,244	4,138	1,856	1,717
Turkey in Europe.....	133	200	380	550	716
United Kingdom.....	38,437	57,389	52,958	34,246	35,764
North America:					
Canada.....	2,904	1,307	3,056	6,108	3,046
Newfoundland and Labrador.....	75		115	50	60
Central American States—Costa Rica.....				20	
Mexico.....	62	159	377	442	402
West Indies—British.....					6
Cuba.....	4,783	3,619	2,214	3,821	2,380
Santo Domingo.....	23				
South America:					
Chile.....				14	
Uruguay.....		30			
Asia:					
Hongkong.....	292	4,885		35	120
Japan.....	506,755	452,109	443,271	527,409	593,456
Turkey in Asia.....	5,632	7,141	5,182	2,970	14,520
Oceania:					
British—					
Australia and Tasmania.....	38				
New Zealand.....					
Philippine Islands.....					11
Africa:					
British Africa—South.....			36	18	
Canary Islands.....		10	941		25
French Africa.....			60		123
Turkey in Africa—Egypt.....				22	
Tripoli.....				183	
Total.....	3,753,211	4,007,691	3,973,919	4,482,499	5,213,458

Mr. DALZELL. Now, Mr. Morgan, in each of those cases you will observe that the importations in 1907 were perhaps only 50 per cent of the importations of 1906.

Mr. MORGAN. Of wines containing less than 14 per cent of alcohol? I think that is correct, because the wines previously containing less than 14 per cent of alcohol appear to have been converted into wines containing more than 14 per cent.

Mr. CLARK. If Mr. Dalzell's question is true, and your answer to it, and if the question and answer are taken together, then there was a falling off of the total amount containing below 14 per cent of alcohol, and above, too, and you added them together.

The CHAIRMAN. In France in 1906 there were 376,000,000 gallons, and in 1907 73,000,000 gallons.

Mr. DALZELL. You mean thousands.

The CHAIRMAN. In Germany it was 975,000,000 in 1906, and in 1907 203,000,000.

Mr. DALZELL. Thousands.

The CHAIRMAN. Yes; thousands. Let me read from Italy. There is a still more striking contrast: 1,374,000 in 1906, and only 64,000 in 1907.

Mr. MORGAN. That is below 14 per cent of absolute alcohol. Let us read on the other side, above 14.

Mr. DALZELL. That is what I would like to get.

Mr. CRUMPACKER. Before you depart from that, in this method of shipment I notice here that in 1907 in bottles of a pint and not more than a quart the importations of Italy largely increased, while they decreased in barrels and casks.

Mr. MORGAN. Increased in barrels and casks above 14 per cent, but down below the point of 14 per cent you will find an enormous decrease.

Mr. CRUMPACKER. I assume here it is bottled goods where the large increase is on wine containing below 14 per cent of alcohol.

Mr. MORGAN. No, sir. The law does not prescribe any difference in duty between wines containing less than 14 per cent and less than 24 per cent in the case of bottled wines. It does not mention it. It leaves it out altogether.

Mr. LONGWORTH. Do I understand you to say that no still wine produced by fermentation contains as much as 14 per cent of absolute alcohol?

Mr. MORGAN. Very little. The general range, you will find, is from 10 to 12½ per cent. When we get a wine which produces from 13 to 14 per cent of alcohol, it is a very extraordinary fermentation. It must be made from a grape that has to be extremely ripe, and I can demonstrate that to you, for the reason that a grape that contains 22 per cent sugar will theoretically produce only 11 per cent of alcohol. In other words, the transformation of the sugar into alcohol forms approximately 50 per cent carbonic-acid gas and 50 per cent of alcohol—the result of the transformation of sugar into alcohol.

Mr. CLARK. After you get through with that I want to ask you a couple of questions about California wines. Your statement here seems to imply that you ship all your wines to New York.

Mr. MORGAN. Not at all; nothing like it.

Mr. CLARK. You do not ship half of it to New York, do you?

Mr. MORGAN. No, sir.

Mr. CLARK. You stop off at St. Louis and other places?

Mr. MORGAN. Yes, sir.

Mr. CLARK. Have these temperance movements and other things reduced very materially the amount of wine drunk in the United States, or not? What do you think about that?

Mr. MORGAN. I do not know what has done it, but something has done it. It has either been on account of the money panic, or on account of the restrictions imposed upon us by the Treasury Department, or on account of the temperance movement.

Mr. CLARK. Don't you think all these things have been calculated to reduce the consumption of wine in the United States, which would, in part, account for the decrease in the consumption of California wines?

Mr. MORGAN. It is a very strange thing that there must have been more temperance men in New York than in any other part of the country. [Laughter.]

Mr. CLARK. Then it may be that they have gotten so poor that they could not drink wine. [Laughter.]

Mr. MORGAN. Then why did they drink Italian wine?

Mr. CLARK. Perhaps because they had got so poor they had to drink the cheap wine.

Mr. MORGAN. The Italian wines are more expensive than California wines.

Mr. CLARK. They perhaps like them more.

Mr. MORGAN. Now, let us take the total importations of these years. I think that will probably clear this thing up. The total importation of wine in casks, quoting from page 336 of the document entitled "Imports of Merchandise into the United States," published by the Department of Commerce and Labor, Bureau of Statistics, is as follows: In 1903 it was 3,753,211. This is gallons, you remember, that I am talking about. In 1904 it was 4,007,691 gallons. These are all years under which the reciprocity proposition had begun to work. In 1905 it was 3,973,919 gallons; in 1906, 4,482,499 gallons; in 1907, 5,213,458 gallons; an increase, therefore, between 1903 and 1907 of about 40 per cent.

Mr. DALZELL. Of total importations?

Mr. MORGAN. Yes, sir. Of wine in casks. I will analyze that afterwards. I will show that from reciprocity countries it has immensely increased, and other countries—from other countries which did not enjoy reciprocity—the importation appears either to have practically remained stationary or to have fallen off. For instance, we will take Asia, which is included in this. Japan in 1903 imported 506,755 gallons; in 1904, 452,109; in 1905, 443,271; in 1906, 527,409; and in 1907, 593,456. That is merely to indicate that the total increase does not reflect the tremendous increase from reciprocity countries, and that I will show here later.

Mr. CLARK. Now, that increase from Japan can be accounted for by the number of Japs that come in here, can it not? They drink their own stuff when they can get it.

Mr. MORGAN. They drink largely California wines. They are among our best customers.

Mr. CLARK. The Japs have increased largely in California and along the Pacific coast generally. How much has the consumption in the United States increased in gallons from 1903 to 1907?

Mr. MORGAN. Including sake, a fermented liquor made from rice, the importations have increased about 40 per cent.

Mr. CLARK. How many gallons?

Mr. MORGAN. From 3,753,211 gallons to 5,213,458 gallons. That is, approximately, 1,400,000 gallons' increase.

Mr. CLARK. The foreign population in the United States in those years alone must have increased a couple of millions; according to the statistics, of seven or eight hundred thousand a year. Mr. Hamilton said a while ago that they had an Italian colony of 400,000 in New York City. That would not be a gallon apiece for those fellows.

Mr. MORGAN. Oh, yes. It has increased 1,400,000 gallons. I have no objection whatever to the increase of importations if it did not show a decrease in the consumption of American wines. I would not mind the increase at all if 1 gallon of increase was of domestic wine and 1 gallon of foreign wine.

Mr. CLARK. I understand you want to raise on this tariff business and want to shut these wines out.

Mr. MORGAN. Oh, no, Mr. Clark. When I get to the end, you will see that that is not what I am after. I am after a differentiation between wines that naturally contain alcohol and those which contain potato spirits or anything else to make the alcohol.

Mr. CLARK. You are trying to show that the increase in these importations came by reason of the reciprocity treaties?

Mr. MORGAN. Yes, sir.

Mr. CLARK. If it can be shown that they come from other causes, your argument will fall to the ground.

Mr. MORGAN. I do not think it can be shown.

Mr. CLARK. Then I will not ask you any more questions until you get through.

Mr. MORGAN. I would like you to ask me questions, because in that way I shall be enabled to bring out the facts.

The importation from Italy of still wines in casks in 1904 was 974,190 gallons, as against, for 1907, 64,428 gallons containing 14 per cent or less of alcohol, and 1,736,702 gallons containing more than 14 per cent alcohol. That is taken from page 58 of the same book from which I have quoted heretofore, and it is made up of wines coming in under the reciprocity treaties.

Now I will repeat the figures with respect to imports of wine under reciprocity treaties of less than 14 per cent of absolute alcohol, and then of more than 14 per cent, which amounted in 1907 to 459,038 and 3,792,586 gallons, respectively. You see the point that I am making. I will come to it afterwards. I will read first the figures showing the importations of less than 14 per cent:

	Rate of duty.	Quantity.
Reciprocity treaty with France (gallons).....	35 cents per gallon.....	73,905.53
Reciprocity treaty with Germany (gallons).....	35 cents per gallon.....	203,774.11
Reciprocity treaty with Italy (gallons).....	35 cents per gallon.....	64,428.86
Reciprocity treaty with Portugal (gallons).....	35 cents per gallon.....	7,408.20
Reciprocity treaty with Spain (proof gallons).....	35 cents per gallon.....	109,456.20
Reciprocity treaty with Switzerland (proof gallons).....	35 cents per gallon.....	66.00
Total.....		459,038.90

And now those containing more than 14 per cent of absolute alcohol (gallons):

	Rate of duty.	Quantity.
Containing more than 14 per cent of absolute alcohol:		
Reciprocity treaty with France (gallons).....	35 cents per gallon.....	491,830.47
Reciprocity treaty with Germany (gallons).....	35 cents per gallon.....	768,784.21
Reciprocity treaty with Italy (gallons).....	35 cents per gallon.....	1,736,702.36
Reciprocity treaty with Portugal (gallons).....	35 cents per gallon.....	123,280.76
Reciprocity treaty with Spain (gallons).....	35 cents per gallon.....	675,327.64
Reciprocity treaty with Switzerland (gallons).....	35 cents per gallon.....	1,661.00
Total.....		3,792,586.44

Total, over 14 per cent, as I said above, 3,792,586 gallons, showing how, by a wave of the wand of reciprocity, dry-wine countries like France, Germany, and Italy have apparently developed an extraor-

dinary alcoholic strength in their wines. I want to reiterate that personally I have no knowledge whether these wines contain 14 per cent or 20 per cent or 24 per cent, because I have no means of knowing. I am merely taking this information from the government statistics and basing my argument upon it. The total importation of wines, according to the before-mentioned report, for the last five years I have already given, and I do not need to repeat again. For the year 1907, besides the 5,000,000 gallons in bulk, there were 462,337 dozens in glass, or approximating 6,500,000 gallons.

The CHAIRMAN. Have you any figures showing the increase in the sparkling wines and the increase in still wines during that period?

Mr. MORGAN. I have not taken up the sparkling-wine question. California is very little interested in that.

The CHAIRMAN. There has been a large increase in the importation of sparkling wines during the same period, and it would be interesting to know about that. I want it for the benefit of Mr. Clark [laughter], who, unfortunately, has gone out just now, because I do not suppose the Italians drink a great deal of champagne.

Mr. MORGAN. There has practically been no increase in the importation of sparkling wine into the port of New York. In 1901 there were imported, according to Bonfort's Wine and Spirit Circular, a recognized authority, 228,000 cases. In the year 1907 there were imported into the port of New York 222,696 cases, showing that it is not relative. I did not expect to answer that question, but I happened to have the answer here. The eastern wine growers will probably expatiate upon the champagne industry. In California we are not very much interested in it. But I have it here from the Bureau of Statistics.

The CHAIRMAN. The figures that I have here, instead of giving the quantity, give the value. In 1906 the total champagne and sparkling wine imported for consumption was of the value of \$5,489,000; in 1907, \$6,124,000. Still wines for the same year, 1906, a value of \$4,344,000; in 1907, a value of \$5,010,000.

Mr. MORGAN. Keeping to the gallons, that is a constant figure; but as to valuation, that is not a constant figure. I will read off from the same authority the importation of sparkling wines.

The CHAIRMAN. I will put the number of gallons in the record as follows:

General imports into the United States.

Fiscal year ending June 30.	Champagne and other sparkling wines.	Still wines in casks.	Still wines in other coverings.
	<i>Doz. quarts.</i>	<i>Gallons.</i>	<i>Doz. quarts.</i>
1903.....	407,944	2,753,211	440,869
1904.....	336,245	4,007,691	471,153
1905.....	371,811	3,973,919	488,773
1906.....	415,394	4,482,499	546,688
1907.....	419,403	5,213,458	636,938

Mr. MORGAN. As to the importation of champagne and other sparkling wines dutiable, it gives all the countries, and it makes this total: 1903, 407,944 dozen quarts; 1904, 336,245 dozen; 1905, 371,811 dozen; 1906, 415,944 dozen; 1907, 419,403 dozen. In other words, the increase

between 1903 and 1907 is less than 8,000 cases, showing that the same ratio of increase had not taken place.

The importation of vermouth and ginger wine or ginger cordial for the year ending June 30, 1907, from countries enjoying reciprocity privileges was as follows: Containing 14 per cent or less of absolute alcohol in bulk, 20,729 gallons; containing more than 14 per cent of absolute alcohol, 30,161 gallons; in bottles or jugs (no alcohol percentage specified), 175,300 dozens—all at 35 cents per gallon, or the equivalent rate of duty in jugs and bottles. Under the internal-revenue regulations no domestic fortified wines can be used in the manufacture of vermouth.

Again, I will read from page 59 of "imports of merchandise" entered for consumption in the year ending June 30, 1907:

	Rate of duty.	Quantity.
Vermuth, and ginger wine or ginger cordial: In casks or packages other than hottles or jugs—		
Containing 14 per cent or less of absolute alcohol (gallons).....	{Duty remitted..... (Sec. 15, act July 24, 1907.)}	316.00
Containing 14 per cent or less of absolute alcohol— Reciprocity treaty with France (gallons).....	35 cents per gallon.....	2,011.70
Reciprocity treaty with Italy (gallons).....	35 cents per gallon.....	18,718.04
Containing more than 14 per cent of absolute alcohol (gallons). Containing more than 14 per cent of absolute alcohol— Reciprocity treaty with France (gallons).....	50 cents per gallon.....	110.00
Reciprocity treaty with Germany (gallons).....	35 cents per gallon.....	4,555.60
Reciprocity treaty with Italy (gallons).....	35 cents per gallon.....	84.00
Reciprocity treaty with Portugal (gallons).....	35 cents per gallon.....	25,439.58
In bottles or jugs— Containing each not more than 1 pint— Reciprocity treaty with Italy (dozens).....	35 cents per gallon.....	82.50
Containing each more than 1 pint and not more than 1 quart (dozens). Containing each more than 1 pint and not more than 1 quart— Reciprocity treaty with Cuba (dozens).....	62½ cents per dozen..... \$1.60 per dozen.....	6.25 2,013.00
Reciprocity treaty with France (dozens).....	\$1.60 per dozen less 20 per cent.	11.00
Reciprocity treaty with Germany (dozens).....	\$1.25 per dozen.....	68,397.92
Reciprocity treaty with Italy (dozens).....	\$1.25 per dozen.....	230.00
Reciprocity treaty with Portugal (dozens).....	\$1.25 per dozen.....	106,251.83
Reciprocity treaty with Spain (dozens).....	\$1.25 per dozen.....	27.00
Quantity in excess of 1 quart or 1 pint per bottle (pints).....	\$1.25 per dozen.....	227.00
Quantity in excess of 1 quart or 1 pint per bottle— Reciprocity treaty with France (pints).....	5 cents per pint.....	288.00
Reciprocity treaty with Italy (pints).....	4 cents per pint.....	912.00
	4 cents per pint.....	480.00

The foregoing statistics are submitted to lay a foundation for the argument which is to follow. European wine-producing countries enjoying the privileges of a reciprocity treaty recognize that there is a limit to which alcohol by fermentation of the sugar contained in the grapes can be naturally produced, and in their tariffs they impose a special tax for excess alcohol. For instance, France and Italy impose a special import tax on alcohol contained in wines above 12 per cent, Germany above 14 per cent, and Spain above 15 per cent, while Portugal has an entirely prohibitive tariff on the importation of wines.

When the Dingley tariff was first formulated this was no doubt also the intention on the part of the lawmakers, but when the reciprocity clause was brought into effect the peculiar condition arose that alcohol in the form of imported wine up to 48 proof is permitted

entry into the country under a tariff of 35 cents per gallon, or approximately 73 cents per proof gallon, while the internal-revenue tax upon domestic spirits is \$1.10 per proof gallon.

I have shown by the letter I have received from the Department of Agriculture, Bureau of Chemistry, that there is no rule or limitation as to what or how much that alcohol shall be in those wines up to 24 per cent, and therefore it is fair to assume that they may have 2 per cent of fermented grape alcohol and 22 per cent of distilled alcohol; and in that case distilled alcohol would be diluted by the fermented wine, instead of the fermented wine being diluted by distilled alcohol.

The CHAIRMAN. Have you anything to show that they did?

Mr. MORGAN. No, sir. I have already made a statement that I am getting my information from the government statistics, and there is nothing in the law to prevent their doing that. It can be done, and we want to prevent its being able to be done.

The CHAIRMAN. If they are bringing alcohol here as wine, we want to know it and protect our own internal revenue.

Mr. MORGAN. That is what I am pointing out. Under the law it can be done, and we want to prevent that.

Mr. CLARK. Can not the gaugers or inspectors find that out?

Mr. MORGAN. Mr. Clark, it is almost impossible to distinguish the alcohol of fermentation from the nearly similar product secured through distillation. The only means they have of ascertaining whether the wine has been so fortified or not is by the testing of the dry extract or solid contents, and it is not at all difficult to supply that deficiency to anybody who knows how. Remember that I am not making the claim that this is done. I want to particularly emphasize that. But I want to show that the tariff law, as at present constituted, permits it being done and connives at its being done.

It would seem not to be difficult for the United States Government, through the operation of these reciprocity treaties, to be lawfully defrauded of a large portion of its revenue from distilled spirits by the use in rectifying of these high-proof fortified wines, whatever proportion may be had, whether 12 or 14 or 16 or 17 per cent, up to 24 per cent, and in support of this I beg to offer the following letter of the Internal-Revenue Bureau:

NOVEMBER 12, 1908.

SIR: Your letter of the 10th inst. is at hand, in which you submit the following inquiry:

"Under the federal statutes controlling, can a rectifier, holding special-tax stamp as such, use imported sherry upon which all customs duties have been paid, in combination with distilled spirits, wines, or other liquors, in making or manufacturing goods commonly called blends, compounds, or imitation liquors, and which goods go on the market in single-stamp packages?"

In reply you are informed that there appears to be no legal objection to the use by a rectifier of imported sherry on which the duty has been paid as a material in connection with distilled spirits, wines, or other liquors in making his product of rectification. Whether such product could be marked as a "blend" or "compound" under circular 723 would depend on the circumstances of the particular case. There seems to be no doubt that the sherry could be used by the rectifier in the production of an "imitation" of a potable spirit, if desired, or in the production of cordials, liqueurs, and other like artificial compounds referred to in paragraph numbered 5 on page 2 of said circular.

The present practice, where a rectifier uses wines, either foreign or domestic, in making his product, is for him to declare the alcoholic content of the wines so employed in his monthly return, form 45, adding the proof gallons so derived

to the proof gallons returned by him in space 6 on said form, thus preserving the proper balance in the account of spirits dumped and stamped out.

Respectfully,

ROBT. WILLIAMS, JR.,
Deputy Commissioner.

MR. CLARK. What is the highest percentage of alcohol that is allowed to be in wine?

MR. MORGAN. Twenty-four per cent under the tariff.

MR. CLARK. That is the highest?

MR. MORGAN. Yes, sir; that is 48 proof. When you drink whisky, provided you drink any at all, you probably drink it at about 85 per cent proof. It is not a question of more than 24 per cent alcohol. It is what constitutes the alcohol contained in the wine up to 24 per cent. What is it? Is it distilled, or is it produced by fermentation of grape juice?

MR. CLARK. What is Doctor Wiley for if he is not to prevent that?

MR. MORGAN. He makes the tests, the tests of alcohol and wine. The test is made by a comparison of the acid and the tannin and the dry extract; but it is not impossible to supply those deficiencies artificially when you have added distilled alcohol instead of the alcohol of fermentation. I am making this statement to you, gentlemen, so as to try to avoid what we consider a grave danger to the wine industry of the United States from the operation of this 24 per cent alcohol tariff.

MR. RANDELL. What is the difference in the cost of production of the alcohol produced by distillation and that produced by wine fermentation?

MR. MORGAN. The difference in the cost is regulated by the value of the grapes. To make a good dry wine it necessitates a high grade of grapes. You can make alcohol out of any kind of grapes, the second crop, third crop, even of grapes, and of corn, potatoes and other material, if you want to, because there is nothing in the tariff which says that the alcohol must be produced from grapes at all.

THE CHAIRMAN. The present provision is that any wine imported containing more than 24 per cent alcohol shall be classed as spirits, and pay duty accordingly, and also the further provision that the Secretary of the Treasury shall determine in accordance with such regulations as he may prescribe how this difference is to be ascertained. Are you prepared now to call the attention of the committee to the regulation of the Secretary of the Treasury?

MR. MORGAN. Yes, sir. His regulation is that the determination shall be by volume, and not by weight.

THE CHAIRMAN. Of course they have experts in the custom-houses in all these matters. Do you know as a matter of fact what their practice or custom is in determining the 24 per cent of alcohol?

MR. MORGAN. I want to point out, Mr. Chairman, that the paragraph that you have referred to merely relates to the way of determining the quantity of alcohol. One is by weight and the other is by volume. When the determination of alcohol is made by weight, it shows a less percentage than by volume, on account of the difference in the specific gravity; but the commercial way of determining alcohol is by volume, because in that way there is an equality.

The CHAIRMAN. What you contend is that when there is 24 per cent of alcohol in the wine, the amount of grain alcohol should be made to pay duty?

Mr. MORGAN. I say not only the grain alcohol, but the grape spirits also, in spirits that are distilled.

The CHAIRMAN. Any spirits involved in the wine itself?

Mr. MORGAN. Yes; other than the spirits in the wine that are naturally inherent in the spontaneous fermentation of the sugar in the grapes. Otherwise there is no limit to the amount of distilled spirits that may be imported under this tariff.

Mr. LONGWORTH. Will you read again that document you received from the Department of Commerce and Labor—those two, your telegram and his?

Mr. MORGAN. Yes, sir. I want to say that yesterday I had a conversation with Doctor Wiley on this very subject, and Doctor Wiley was considerably disturbed over it. He made the remark that he had held up wines on several occasions, and that the Treasury Department, after looking into the facts and the law of the case, had ordered the wines released.

The CHAIRMAN. I do not see anything in the law that distinguishes anything in the wine containing over 24 per cent alcohol as to whether it shall be alcohol incident to the making of wine or alcohol produced by distillation from grain or other substances.

Mr. MORGAN. That is what I claim.

The CHAIRMAN. Have you figured out proportionately what relation a tariff duty on wines containing not over 24 per cent of alcohol—what proportion that bears to the internal revenue on alcohol?

Mr. MORGAN. Yes, sir.

The CHAIRMAN. I do not so understand it.

Mr. MORGAN. It is such a proportion as 73 cents per proof gallon bears to \$1.10 per proof gallon in the internal revenue.

Mr. CRUMPACKER. I understand from that that wines containing up to 24 per cent—that is, 23 and a fraction per cent—at the rate of duty that the law fixes, the alcohol is to be brought in at a lower rate than the rate upon spirits?

Mr. MORGAN. Yes, sir; by a very large percentage, as 73 cents bears to \$1.10.

Mr. CRUMPACKER. The rate on wine below 24 per cent alcohol is 50 cents a gallon?

Mr. MORGAN. No, sir. Under reciprocity, 35 cents a gallon.

Mr. NEEDHAM. But apart from reciprocity?

Mr. MORGAN. Yes. But there are very few, if any, wine-producing countries to-day that are not enjoying reciprocity treaties.

Mr. DALZELL. Setting aside reciprocity treaties, wines containing less than 14 per cent of alcohol bear one rate of duty and wines containing more than 14 per cent of alcohol bear more duty, but under the reciprocity treaty they are all brought in at the same rate.

Mr. MORGAN. Yes. That is what I say.

Mr. DALZELL. There is a differentiation in the law apart from the reciprocity treaty, and then the differentiation is ignored in the reciprocity treaty?

Mr. MORGAN. Yes. That is what I say.

Mr. LONGWORTH. What did Doctor Wiley say of what Doctor Dunlap wrote when Doctor Wiley was away; when this letter was written?

Mr. MORGAN. He said, when he saw a copy of the letter, "I do not think I would have written that letter that way if I had been here." And then he went on to say that certain standards had been adopted, but not yet approved by Congress, and I immediately took up with him the question of those standards, and I think I have the book here; perhaps I have not. But anyhow, the standards recognize fortified dry wines. It says fortified dry wines are dry wines conforming otherwise to dry wines to which brandy has been added.

Mr. LONGWORTH. It makes no distinction between 14 and 24 per cent?

Mr. MORGAN. No. It merely says, "conforming to standards otherwise for dry wines." Now, as I pointed out to Doctor Wiley, and he agreed with me, there is nothing to prevent the foreign producer from adding, after he has put in 22 per cent spirits, to the 2 per cent of wine the necessary dry extract and other constituents necessary to make it conform to the requirements of a dry wine. The danger of the whole thing is the indefiniteness of the law as to what shall constitute that 24 per cent of alcohol. In our law domestically we are not permitted to do that thing freely. We are not allowed to fortify dry wines, and the law is under very strict rules as to the quantity, kind, and manner of introducing spirits into sweet wines. It must be under the supervision of an officer. He must be there present when it is done. If it exceeds the limit of 14 per cent, the wine is seized and forfeited to the United States Government.

Mr. CLARK. Is the bulk of American wine in this lower class or this upper class?

Mr. MORGAN. I can give you that, because I have already quoted the figures of the total production of American wine. About 16,000,000 gallons is sweet wine, fortified under the law. The balance, 39,000,000 gallons, is what is known as "dry wine"—that is, wine produced by the spontaneous fermentation of the sugar in the grapes. In other words, this matter of importing foreign wines under the indefinite language of the law, as to what shall constitute the percentage and kind of alcohol, strikes at the very heart of the wine industry in America.

Mr. CLARK. You want the differentiation of these things in reciprocity treaties, if reciprocity treaties there be? That is the whole of it.

Mr. MORGAN. Yes, sir. I want done in this country what is done in all these countries that are enjoying the fruits of reciprocity. In their tax they distinguish between a wine with natural alcohol and a wine with added alcohol. Why should they have privileges that we are not allowed to enjoy here? I only want tit for tat. What is fit for the goose should be fit for the gander.

Mr. CLARK. Are the Californians and the rest of the wine growers of the United States now in accord, or are they at loggerheads?

Mr. MORGAN. Well, Mr. Clark, you can say what your own constituents say about it. We have differed heretofore, but now at this time we are in the same boat. In other words, we are all getting hurt.

Mr. HILL. Did not the California people have free grape spirits in fortifying?

Mr. MORGAN. Yes, sir. Under very strict regulations.

Mr. HILL. But it is free?

Mr. MORGAN. Not exactly free. They have to pay 3 cents a gallon—

Mr. HILL. And the foreign importer pays 10 cents under the ordinary tariff, but under reciprocity he does not?

Mr. MORGAN. Providing that differentiation had been continued, there would be no objection. But I want to explain to you, Mr. Hill, that this is the trouble: In foreign countries, under the reciprocity treaties, dry wines, that is to say, wines which can not be classed as sweet wines and drunk as such, may be fortified, but that is forbidden under the laws of the United States.

Mr. HILL. It is simply a question between free fortification for the California wines and 75 per cent duty for the others.

Mr. MORGAN. Wines which are dry wines can not be fortified in this country, but they are permitted to be fortified in other countries, you understand. Only sweet wines can be forfeited here under the law.

The CHAIRMAN. When did we pass the law allowing them to be fortified?

Mr. MORGAN. June 7, 1906. It was first passed in 1890, and amended in 1894, and amended again in 1906.

The CHAIRMAN. Did we give them any hint that this could be done in 1906, or did they take it up first?

Mr. MORGAN. The sweet-wines laws were passed at that time.

The CHAIRMAN. That is as to the California wines, but do the foreign wines have to be fortified?

Mr. MORGAN. Eighteen hundred and ninety was the first date that the law permitting that particular use of spirits was passed for the purpose of fortifying sweet wines. The reciprocity treaties, under which the 35-cent rate, covering all wines up to 24 per cent, went into effect on the dates which I have named. I have named it absolutely so that you could follow it; in other words, in France, June, 1898; Portugal, June, 1900; Italy and Germany, July, 1900, and Spain in September, 1906. I want to show the immense increase in importation of wines over 14 per cent—according to the records—and I think the records of the United States are right—the tremendous increase in the importation of wines containing over 14 per cent of alcohol, which means alcohol produced by distillation, and not by fermentation—

Mr. BOUTELL. What class of wines contain the highest amount of alcohol?

Mr. MORGAN. The wines from Spain and Portugal.

Mr. BOUTELL. How much do they contain?

Mr. MORGAN. They contain commercially, when sold, in the neighborhood of 20 per cent.

Mr. BOUTELL. How is it with the domestic wines?

Mr. MORGAN. About the same for that class of ports, sherries, angelicas, muscats, malagas, and wines of that class. They contain in the neighborhood of 20 per cent when commercially sold. The laws of the United States permit the fortification up to 24 per cent, including the naturally fermented alcohol, but not exceeding 14 per cent of distilled spirit, and the reason for that is that some wines are

made which can, under the law, be fortified only to 16 per cent of total alcoholic contents because the volume of added alcohol is limited by law, and therefore the fortification of others containing more natural alcohol is (within the lawful 14 per cent) permitted to 24 per cent, so as to be able to blend the wines together.

Mr. BOUTELL. There are no wines properly made which contain over 24 per cent?

Mr. MORGAN. No, sir.

Mr. BOUTELL. There is one other question I wish to ask, as I think possibly I may have misunderstood you. I got the impression that you were contending that under the present law it was possible for wines to be imported with over 24 per cent of alcohol.

Mr. MORGAN. Oh, no.

Mr. BOUTELL. And escape the spirit tax.

Mr. MORGAN. Oh, no; but they are able to be imported up to 24 per cent, which in revenue bounds is 48 proof, whereas the whisky you drink is only 85 proof.

Mr. BOUTELL. Well, whisky that I drink does not contain anything. [Laughter.]

Mr. MORGAN. You may take a little occasionally medicinally?

Mr. BOUTELL. Never.

Mr. GAINES. Then your contention, Mr. Morgan, is that, having introduced the dry wine fortified up to 24 per cent, they divide?

Mr. MORGAN. They can do it; I do not say they do.

Mr. GAINES. They can do that and escape the tax?

Mr. MORGAN. One-half of the duty.

Now, I will continue my argument. I finished where I stated that it was possible to cut dry wines down, imported at 24 per cent, to 12 per cent, and therefore reduce the expense both of duty and of freight.

But this is not of so much moment to the domestic wine grower as is the proposition that dry wines fortified with distilled spirits up to 24 per cent of alcohol may be, and apparently from the records are, imported into the United States under a 35-cent duty, and that it is possible for every gallon so imported to be cut in half with water, and thus make 2 gallons of normal 12 per cent alcohol strength dry wines at the expense of $17\frac{1}{2}$ cents for duty, instead of 35 cents supposedly imposed by the tariff, at the same time the freight expense being also reduced by one-half. This also to a lesser extent may be practiced with sweet wines, the normal commercial strength of which is about 20 per cent of alcohol, while with wines of 24 per cent strength it is possible after arrival to cut them down one-sixth, and thus reduce by that ratio the cost of duty and freight.

It is, however, fair to say that under the laws of the United States we are also permitted to fortify them up to 24 per cent, providing the grapes will permit it, but mighty few will; whereas, with the foreign wines they can do it anyhow; that is, our grapes will permit only the limited amount of alcohol permitted under the internal-revenue laws. I want to be fair in these statements.

Vermouth, of which sweet wine is the normal base, and which forms a large item under the head of imported wines, can not be made in the United States, the use of domestic sweet wines being prohibited by the regulations of the Internal Revenue Department. And as the import duty per degree of alcohol is considerably less than

the internal-revenue tax on distilled spirits, the manufacture of vermouth in the United States is rendered commercially impossible.

In other words, it might be contended by the Internal Revenue Department, and is, that you can take distilled spirits and pay the tax on it and make the vermouth, but the cost of the spirits is so much in excess of the import tax, being 24 per cent, that it is impossible.

Under the present reciprocity tariff, whereby no distinction is made between dry wines and those fortified with distilled spirits up to 24 per cent, the California producer labors under very great disadvantages: First, in the case of bulk wines, he is at a freight disadvantage, which reduces the tariff by 6 cents, or to 29 cents.

Now I will answer the argument of the gentleman who preceded me with regard to the freight rates from the interior. The freight rates from the interior in California are very high. They are local rates. Take Mr. Needham's district, Fresno, for instance, Tulare County and those counties. The freight to the seaboard is from \$4.50 to \$5 per ton—that is to say, from 2½ to 2½ cents per gallon. The gentleman who preceded me was also mistaken as to the area in which wines were grown, because he said fifteen or twenty or thirty years ago Los Angeles was the center. Los Angeles has to-day a very much smaller acreage, I suppose not one-third or one-fourth that Fresno and Tulare counties have; in other words the wine industry of California has moved north, and the great dry-wine producing center to-day is Sonoma County. The freight rate from upper Sonoma County is in the neighborhood of 2½ cents per gallon. The freight rate from Napa County, according to the distance from the bay, is less, and so it goes. But the proof of the pudding is in the eating of it, and not in chewing the string. The fact that only 1,600,000 gallons went by sea, and the total to New York was 6,300,000 gallons, shows that either the California producer found it imperatively necessary to ship by rail or is a stockholder in the railroads or else a fool, I don't know which.

Mr. CLARK. What does he ship it to the seaboard for, anyhow?

Mr. MORGAN. The line running east and west is limited by the mountains. You understand that the Sierra Nevada Mountains run north and south on the eastern boundary of the State.

Mr. CLARK. Then do they take the San Francisco rate?

Mr. MORGAN. Yes; the San Francisco rate is the common-point rate by rail. The rate is the common-point rate.

Mr. CLARK. But what I don't see is why he ships by rail.

Mr. MORGAN. Because, as I have explained in this paper, it is a question about being able to get space on the Pacific mail steamers. We have frequently been unable to ship our wines upon them; have been shut out, and the other vessels are all such irregularly sailing vessels as to make it impossible to ship it.

Mr. CLARK. You stated a while ago that you maintained a depot in New York. If you maintain a depot in New York, you know how much wine, and the various qualities, you are going to sell in the New York market next year, and why not ship it by sea and save the freights?

Mr. MORGAN. Because we have to bring it from the interior to the seaboard to make a saving.

Mr. CLARK. You have to ship it to the seaboard to start it?

Mr. MORGAN. No; I say that every point in California is a common point.

Mr. CLARK. Then you might as well ship from one point as another.

Mr. MORGAN. That is exactly correct.

Mr. UNDERWOOD. On this rate question, do you claim that you are entitled to a protective tariff on account of the shipping rate of freight to the European markets and to reach New York? You sell only a proportion of your goods in New York, on the Atlantic seaboard?

Mr. MORGAN. But the largest proportion. I should say that of all the dry wines sold—and practically my argument is largely on the dry-wines question—five-sixths are sold on the Atlantic seaboard.

Mr. UNDERWOOD. How is it as to sweet wines?

Mr. MORGAN. As to sweet wines, five-sixths are sold in the interior.

Mr. UNDERWOOD. California is a maker of sweet wines?

Mr. MORGAN. Wait a moment. I will not say five-sixths, but I will say three-quarters. In other words, the Scandinavian population of the Northwest, the same as in northern Europe, is a drinker of stronger alcoholic wines. The districts in the south of Europe, such as those of the Frenchman and the Italian, are the districts where the dry wines are consumed. In other words, New Orleans is a great market for "dry" wines and for "sweet" wines is not a great market, while for dry wines New York is a great market. But in the great interior of the country it is only where the Italians and south Europeans congregate that we have any sale whatever for "dry" wines.

Mr. UNDERWOOD. Do you not sell dry wines or sweet wines to the American population?

Mr. MORGAN. Oh, yes; I am giving the reasons why, and the districts. For instance, Boston is a great sweet wine market, because it is in the north. It is a question, apparently, of climate. Take the Russian. The Russian drinks vodka, away up to 150 proof. Come down to southern Europe, and they want the light wines. I do not know why, but those are the facts.

Mr. UNDERWOOD. Suppose we take Indiana as the center of population, and consider the difference in the freight rate from California to Indiana, Indianapolis, say, and the freight rate from the Atlantic seaboard to Indianapolis.

Mr. MORGAN. The freight rate from California to Indianapolis is the same as to New York, no different.

Mr. UNDERWOOD. The same rate?

Mr. MORGAN. The common-point rate; the postage-stamp rate.

Mr. UNDERWOOD. That is, it costs you just as much to send a case of wine to Indianapolis as to New York?

Mr. MORGAN. Just the same, \$1 per hundred pounds.

Mr. UNDERWOOD. What does it cost the foreign shipper to reach Indianapolis?

Mr. MORGAN. Now, I will say that you have picked a very unfavorable State. I have found that our entire shipments there for the first six months of this year amounted to less than one hundred packages.

Mr. UNDERWOOD. I merely took the State of Indiana because it is the center of population of the United States, I believe. What is the freight rate from New York City to Indianapolis?

Mr. MORGAN. I do not know what it is, but it is considerable. But you understand that we can not force the people in a district to drink wine who will not drink wine. We have considered only the centers which do drink wine.

Mr. UNDERWOOD. When you take the interior of the country the foreign shipper has to pay the interior freight rate, and that equalizes the amount.

Mr. MORGAN. Provided the gallonage is equal. You understand the gallonage is drunk on the seaboard and not the interior, on dry wines. This argument is made upon the question of being able to fortify "dry" wines to 24 per cent and sell them as "dry" wines, an argument that has not been made upon the question of sweet wines.

Mr. UNDERWOOD. Well, the committee is interested in both.

Mr. MORGAN. I say this, that it is an internal-revenue question also as to whether a wine fortified practically all with distilled alcohol can be brought into the United States and used in rectifying and every other purpose, manufacture and everything else.

Mr. UNDERWOOD. But my question was directed more to the question of the amount of duty to be levied to equalize the cheapness of water rates. That equalizes itself as you go into the interior.

Mr. MORGAN. Certainly, provided the wines are sold in the interior. Take Indiana. I am talking about gallonage. You understand the proportion of gallonage made in California of dry and sweet wines is as 39 to 16. Now, we will say that three-quarters of the sweet wines are drunk in a region which has to pay freight from the Atlantic seaboard.

Mr. UNDERWOOD. That equalizes it.

Mr. MORGAN. No; it does not exactly.

Mr. UNDERWOOD. To some extent. To how large an extent?

Mr. MORGAN. Of the dry wines, 39,000,000 gallons as against 16,000,000 gallons sweet wines. The larger proportion of "dry" wine is drunk upon the Atlantic seaboard, but we can not compete under these conditions. That is the point I am making.

Mr. UNDERWOOD. You gave us some very interesting facts, carefully compiled, with reference to labor cost in Europe and America. I would like to ask you if you have made any investigation as to the efficiency of European labor and American labor in the factories?

Mr. MORGAN. I can only answer in this way, that when the Italian comes to this country there is no better laborer, no better man, no better citizen, and none out of whom we get more work than he.

Mr. UNDERWOOD. How is it in the other countries?

Mr. MORGAN. There it is the same way, no better man. If we could only choose in California as to the population, as against the Asiatic laborer, but we can not get the other labor.

Mr. UNDERWOOD. Do they produce as good results as the American laborer?

Mr. MORGAN. Undoubtedly; in the fields, much more. The American laborer is not constituted to work in the hot sun of the fields, and will not do it. He will not go out picking grapes. I will give you an interesting statement with regard to the way the Japanese do. In one of the large vineyards in Fresno County, Cal., last year a Japanese and his wife, the wife carrying a baby on her back, made \$12 a day picking grapes at the regular rate that was being paid.

Mr. CRUMPACKER. Do not the women and children gather grapes in Italy and France?

Mr. MORGAN. They do.

Mr. CRUMPACKER. Are they as efficient as the American laborer?

Mr. MORGAN. Do you mean at the relative price?

Mr. CRUMPACKER. Yes. Take the children there, 6, 8, and 10 years of age, can they gather as many grapes as an able-bodied American?

Mr. MORGAN. No, sir; but what I want to say is that there is a great difference between the labor in California and in this part of the country. Those gentlemen who have been out there in the season will know that.

Mr. NEEDHAM. Coming back again to the question of freights, it is 250 miles from the seaboard to Fresno?

Mr. MORGAN. Two hundred and eight miles by the shortest route and 250 miles by the other route.

Mr. NEEDHAM. That would be on the average a greater distance than any other wine-producing country to the seaboard.

Mr. MORGAN. I do not know the width of the Italian belt, but I do know that you would have to hunt a long while before you could find a distance of 300 or 400 miles, as the gentleman who preceded me stated. I do say that the distance apparently from the map and from districts is no greater. You understand that California, east and west, is limited by the mountains. There is a strip of country that runs down from the mountains.

Under the present reciprocity tariff, whereby no distinction is made between dry wines and those fortified with distilled spirits up to 24 per cent, the California producer labors under very great disadvantages; first, in the case of bulk wines he is at a freight disadvantage which reduces the tariff by 6 cents, or to 29 cents; second, the containers by reason of the greater cost of labor engaged in the manufacture of the barrels, cost him more than the foreign wine producers. The gentleman who preceded me said that the cooperage of Italy cost 5 cents a gallon. Grapes, by reason of the higher cost of labor, cost him more to grow and the preparation of his wines for market also for the same reason is more expensive.

The ruling of the Internal Revenue Department, which denies to him the privilege of using his wines in the making up of medicinal preparations is also a very serious handicap, though it is fair and proper to say that the Commissioner of Internal Revenue has at this time under consideration the modification of the extreme ground which his bureau has taken in the matter, but while the Commissioner in the exercise of a kind discretion may ultimately reverse the former drastic regulations, the very fact that it was originally issued shows that there exists in the mind of the officers of the bureau a doubt as to the law on the subject and in the revision of the tariff an earnest appeal is made that there should be included a provision which will, beyond a question of doubt, prevent the discrimination which now exists in favor of the use of imported wines in the United States for purposes that are unlawful in the case of wines grown in the United States.

I want to give a sample of that. One of the canners in California asked the Internal Revenue Department if he could use fortified sweet wine for flavoring wine jellies. The answer was that under the law he could not. Then he asked if he could use imported wines, and he was told that he could use imported wines.

In any revision of the tariff on wines there should also be reestablished a differential between wines containing only alcohol produced by natural fermentation and those which have been fortified by the addition of distilled spirits, so that the condition may not continue to be presented of the possibility of importing alcohol into the United States at a less rate of duty than is exacted on domestic spirits by the revenue laws, or of such a handicap being placed on the domestic wine producer as the possibility of importing a wine of so high an alcoholic strength that after arrival in the United States the addition of water may effect the cutting in half of the established import duty. In the case of wine imported in bottles the handicap to the California producer is even more pronounced, so much so, indeed, that the shipping of cased wines has practically ceased. He must pay duty on bottles and corks which he uses, which duty the foreign wine producer is relieved of; he must pay a wage scale for filling the bottles fully double that which the foreigner has to pay, and the freight on a case of wine containing twelve bottles is about 54 cents as against 15 cents which the foreigner has to pay.

When the vineyards now planted in California have come into full bearing, they will be capable of producing almost a million tons of grapes, for which, either in the form of raisins, table grapes, or wine, the California grower has looked forward to finding a market, but since the reciprocity clause in the tariff of 1897 has begun to show its full effect in the invasion of the domestic field, which thus threatens to cut off his natural market, he looks forward to the future, unless some relief is granted him in the revision of the tariff, with apprehension almost akin to despair. Italy and France are both now staggering under a vast overproduction of wines and will not let slip such an opportunity as is presented under the present reciprocity tariff to dump their surplus in the United States to the detriment and perhaps bankruptcy of the American producer.

I have letters here in regard to the cost of Italian wines in New York. This is an extract from a newspaper item which has gone all over the United States. I do not vouch for its proof, but it came from abroad. (Reads:)

WINE BY THE HOUR IN ITALY.

There was a big wine crop in Italy last year, and there is another big crop this year. The result is that the price of wine in Italy has fallen to 1 and 2 cents per quart. But instead of wine by the quart, in many parts of Italy people can drink by the hour.

Thus at Catane for 3 cents one can drink *ad libitum* for an hour. But the bargain is not so great as might appear, for the price of wine is only a half-penny a quart, and to drink 3 quarts of Sicilian wine in an hour is no slight undertaking.

At the neighboring town of Aciacatena the price for one hour is only 1 cent, while for 3 cents one can drink for two hours. So successful has this system been in the south that it has been adopted in the north of Italy. In the neighborhood of Bologna, where the wine is of better quality than in Sicily, the tariff (per hour) is 8 cents, while for the second hour it is only 6 cents, and for the third 4 cents.

Now, as to what wine can be imported into New York for, I have this letter from New York:

NEW YORK, November 11, 1908.

PERCY T. MORGAN, Esq., Washington, D. C.

DEAR SIR: Referring to conversation over telephone this morning, it did not occur to me at the time that I had sent you, this spring, information on costs

abroad for wines from Spain and Italy. I also informed you at that time, I believe, that it was contrary to law for any custom-house official to give out any information regarding invoice valuations or anything else connected with the importations of any kind of merchandise. This latter fact was verified again to-day when we attempted to get some data through our custom-house brokers; so there is no use trying any further in that quarter.

I think that the cost we gave you this spring was 57 cents, landed in purchaser's cellar in New York. If that is so, then it is proper to make the following deductions: Duty, 35 cents; freight; commission on the other side (the shipping in Italy is all done through commission houses); outage; cartage at New York; marine insurance; custom-house expense here, 5 cents per gallon; cooperage, 5 cents per gallon, which would leave as the first cost 12 cents. It is to be borne in mind that these prices apply to comparatively small quantities, say, from 25 to 50 barrels, and on these small lots the general expense enumerated above figures out quite a large percentage. On orders such as we consider of fair size only, say, 250 to 500 barrels, where the pro rata of expense would be comparatively lower, and which could, no doubt, be bought at a reduction from the above figures, the first cost, in our opinion, would not figure out above 10 cents per gallon, and possibly much less.

Then, again, it is to be remembered the wines coming in at above figures are not the cheapest wines to be had by any means, and the reason for this is that 10 to 12 cents will buy a pretty good quality of wine. The better qualities are usually taken. Talking about how low wines can be purchased on the other side, I beg to refer you to within clipping, taken from the wine press. I saw the article first in the daily papers, and Mr. Vance will no doubt be able to tell you where it was taken from. According to this, wine can be bought at 1 cent a quart or 4 cents a gallon.

Gentlemen, I have not come to ask for any reduction in the tariff on "dry" wines. I think the 35 cents duty, even under the reciprocity clause, is a fair one, but I do ask that the duty on bottled wines be readjusted, because it is absolutely unfair. It is less than the duty on bulk wines, when it should be greater, on account of the higher value of the wines, or the fact that labor so largely enters into the question of the cost of bottling the wine. I do ask that, under any revision of the tariff, a differentiation should be made between the wines which contain alcohol by natural fermentation of the grape and wines which contain added distilled spirits of whatever origin.

MR. UNDERWOOD. In other words, you think that there ought to be more protection on wines that contain alcohol by natural fermentation?

MR. MORGAN. I think there ought to be a less duty; not a less duty than the present tariff, because that would completely destroy our industry, but that there should be a tariff—if the tariff is 35 cents—there should be at least added to that the internal-revenue tax which is charged to the American producer upon added alcohol in dry wines.

MR. UNDERWOOD. You have free alcohol.

MR. MORGAN. I beg pardon; not for dry wines. We are not permitted to fortify a dry wine with alcohol free of tax. If we wish to raise the percentage, the eastern grower is permitted by the internal-revenue regulations to add not exceeding 10 per cent to his wine, because their grapes are frequently so low in saccharine contents that they will not ferment out a sufficient amount of alcohol to preserve them, and they are therefore permitted to add 10 per cent, but they have to pay the internal revenue tax on it of \$1.10 per proof gallon.

MR. UNDERWOOD. Free alcohol is limited to sweet wines?

MR. MORGAN. Free alcohol is limited to sweet wines alone, and it is extremely specific in its provision, extremely restrictive, and is

carried on under absolute supervision of the officials of internal revenue, whose expenses are provided by internal revenue charge to the sweet-wine producer of 3 cents per proof, or 6 cents per absolute, gallon of alcohol.

Mr. UNDERWOOD. If the question should come to a maximum and a minimum tariff, what effect would it have on this industry, and how, in your judgment, should it be made?

Mr. MORGAN. A minimum tariff should not be less for dry wines than the present reciprocal tariff of 35 cents per gallon. There should be added to that for wines which are fortified by alcohol—that is to say, distilled alcohol—such an amount as is considered proper to protect the revenue. Then it should be ranged up. But I do not care how high you put it as a maximum; but the minimum should not be less than the present tariff, the reciprocal tariff, on dry wines.

Mr. CLARK. There is one thing about the California wines, that they have to ship their staves across the country, and I would like to ask if there is not anything in California out of which they can make staves.

Mr. MORGAN. We are now attempting to develop it. The expense of cooorage has become so prohibitive that we are endeavoring to develop a barrel made from spruce wood, and that spruce wood to be lined with paraffin so as to prevent the action of the wine upon the wood in drawing out the essential oils.

Mr. CLARK. Do they make bottles in California?

Mr. MORGAN. Yes; at the Illinois Glass Works in San Francisco; but we can not make what is known as the claret bottle, because we have not the sand with which to make the glass, the Belgian sand which gives color to the bottle, and quality. That we have not been able to attain. The common bottles we use for grape juice, and a lot of such things, but not for the fine purposes. They make bottles in the East, but we have to pay the freight from the East.

Mr. CLARK. What I was trying to find out was whether you could not make tubs, tanks, and bottles in California, and save the freight rate.

Mr. MORGAN. No, sir; but we do not save the freight rate, because the cost at the factory there is based upon the import duty and the freight rate, the labor conditions making that justifiable. The labor conditions in California make labor so high, and the number of first-class workers is so low—

Mr. CLARK. It would not do you any good?

Mr. MORGAN. No; I do not think it would be justified. I am sure the glassworkers are not making exorbitant profits, because from the way they are always trying to collect their bills they must be close up.

STATEMENT MADE BY WALTER E. HILDRETH, HAMMONDSPORT, N. Y., REPRESENTING NEW YORK WINE PRODUCERS.

SATURDAY, November 12, 1908.

Mr. HILDRETH. Mr. Chairman and gentlemen of the committee, one gentleman of the committee asked whether the East and West were united upon the question at the present time. I come from New York State, from the champagne district in the neighborhood of

Hammondsport, N. Y. We are solely wine producers, and I wish to state that the conditions in California interest us. We are all working together for the general good of the whole country.

Mr. CLARK. Do you mean that you are working together upon this particular proposition?

Mr. HILDRETH. No, sir; but for the general good. The California grapes and the grapes of the East differ in their constituents, and therefore must be treated differently. So far as the still-wine question is concerned I do not think that I wish to say anything further. I think that Mr. Morgan brought out matters fully and distinctly on that branch of the question. Our business is the business of champagne making principally. It is comparatively a new industry in this country, a little over forty years old, and we have grown up, until at the present time we are to a certain extent competitors with the French champagne, although we are selling our product at \$12 to \$14 a case, which is the retailing price, and includes the cost of manufacture, selling, and profit. Our wines cost more to manufacture than do the French wines. The cost of the grapes vary from \$32 a ton to \$80 a ton for the best grades. The Catawbas cost \$40 per ton, the Concords, which is the cheapest grade, cost us \$32 per ton, and the Delawares from \$70 to \$80 per ton, and these grapes together with other varieties are blended together to produce our champagne, which is made by fermentation in the bottle. Each bottle is handled about 250 times. The question of labor is a considerable one in the manufacture of champagne, and is a great deal more than it is in the case of still wines. The cost of this labor with us is from \$1, the cheapest, up to \$2.50 per day, while in France the cost of this labor is only from 43 cents to 85 cents per day. When you consider that we have to handle these bottles from 250 to 350 times each (depending on the wine, as some wines will clear quicker than others), you can see how much more our wines cost than do the French wines. As a matter of fact, the French people have an advantage of about \$10 a case over us in exporting their wines in this country, everything considered. If we paid a duty on our wines they would net about \$20 a case. In this country the French people get for their wines from \$28 to \$32 per case. Their wine is cheaper to manufacture than ours, and that difference in price they use in exploiting their wines. Everybody knows that the champagne industry is the hardest thing in the world to build up. It is largely a matter of taste and prejudice. France has been producing champagne for two hundred and fifty years, while our industry is a little over forty years old. We have had to overcome a large amount of prejudice, and at times we can not get a person even to taste our wine.

Mr. CLARK. Those are usually the fellows who think they are good judges of wine. The average citizen does not know one wine from another after he has had one or two drinks.

Mr. HILDRETH. No, sir.

The CHAIRMAN. They judge it by the label?

Mr. HILDRETH. Yes; and, as I heard a man remark once, they buy \$1 worth of wine and \$3 worth of label. When a man takes a friend out and orders champagne at a meal, he thinks he must have the French, and if he does not, he is afraid he will be considered a cheap man; so therefore he wants the French at \$4 to \$5 a bottle.

Mr. McCALL. What character of grapes go into champagne?

Mr. HILDRETH. We use many varieties—about 8 or 10 of them, I should say.

Mr. McCALL. What colored grape is preferable—or do you use?

Mr. HILDRETH. Some of the black grapes are best for champagne, but we use black, red, and white grapes.

Mr. McCALL. Tell us something about the process of making champagne.

Mr. HILDRETH. The grapes are all crushed separately, in October. In January we make what we call the *cuvée*. The juice is pressed, and after fermentation it becomes wine. The minute that the juice comes in contact with the fermenting germ, which is in the bloom on the grape skin, fermentation immediately sets in. In January, after the new must, the grape juice has been fermented into wine. We blend the new wine with old wine of previous years, making what is called the *cuvée*. The blending of old and new wines in the perfection of champagne is rendered necessary by the fact that if new wine alone was used the second fermentation, which takes place in the bottle after it is corked, would be so strong that it would be impracticable to use a bottle or a cork strong enough to hold it, as the carbonic acid gas formed in the process of fermentation creates a heavy pressure in the bottle. If all old wine were used the fermentation would not be active enough to produce sufficient gas to give the wine the proper sparkling effect. By blending the new and old wines, however, the old makers in France discovered they could make a wine which would have the proper sparkle and could still be held in the bottle.

Mr. McCALL. How much of the old wine usually is used?

Mr. HILDRETH. It varies according to the vintage, from 40 to 60 per cent. If the vintage is good, we use a larger percentage of the new wine. If the new wine is acid and poor, we use a larger percentage of the old, which has less acid. The *cuvée* blended in January is stored in casks until spring. In the springtime, when the sap begins to run in the vine, a second fermentation takes place in the wine, and before that second fermentation takes place the wine is bottled and corked. After the second fermentation starts it is put into the wine cellars, which are kept at a uniform temperature. The wine should remain there from two to two and one-half years. After the wine has been properly aged it is put on tables or "A" shaped racks with holes, in which the neck of the bottles are inserted. Sediment forms on the side of the bottle, and that is where the handling comes in, for every one of those bottles on the rack must be turned and shaken until all the sediment has settled down on the cork. After the sediment formed in the bottle during the process of fermentation is all down on the cork, it is taken to the finishing room, neck down, and there the cork is carefully extracted, and a small amount of the wine allowed to escape with the sediment. After that a sirup is added. This finishing sirup is composed of old wine, brandy, and rock candy. Enough sugar is added, in the shape of the rock candy, to make it natural. Champagne, before the dosage or finishing sirup has been added, contains about 10 per cent alcohol, and from $1\frac{1}{2}$ to 4 per cent of alcohol is added in the shape of brandy in the finishing sirup. In the removal of the sediment, if there is the slightest trace of it left, even as much as would go on the head of a pin, it would spoil the wine as to its commercial value.

Mr. McCALL. When does this wine come on the market—how long after it has left the press?

Mr. HILDRETH. It never leaves the cellars in less than two and one-half years to three years.

Mr. McCALL. When do you put in this sirup?

Mr. HILDRETH. Just before it is finished.

Mr. McCALL. Then it goes on the market?

Mr. HILDRETH. We usually expect to have the wine finished three or four months before it goes on the market, so that the cork may be properly set. Practically the wine is just as good within forty-eight hours after it is finished as it would be in two years, but the cork has been compressed so firmly in forcing it in the bottle that it would be very difficult to remove until it has been in the bottle long enough to become set.

Mr. McCALL. You do not put anything in the wine to make it effervesce?

Mr. HILDRETH. No; not a thing.

Mr. McCALL. If the wine was used then without the addition of the finishing sirup, would it have less alcoholic strength?

Mr. HILDRETH. Yes; but there would not be any sweetness left, and it would not be palatable, as the presence of the carbonic acid gas makes it seem actually sour without the added sugar.

Mr. POW. How do you get the sediment out?

Mr. HILDRETH. It is blown out by the gas when the cork is taken out. Formerly this was done by skilled labor, but we do it now as in France—by freezing the neck of the bottle before extracting the cork—and as the sediment is frozen to the cork it comes out with the cork, and in that way we obviate the use of expert labor, as any man can extract that cork without clouding the wine when it is frozen. When the cork is taken out the sediment comes out with it. This method was adopted by us five or six years ago.

Mr. POW. What do you pay that class of labor?

Mr. HILDRETH. About \$2.50 per day.

SUPPLEMENTAL BRIEF OF ITALIAN CHAMBER OF COMMERCE, NEW YORK, RELATIVE TO WINES AND SPIRITS.

WASHINGTON, D. C., *December 10, 1908.*

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: Whereas, certain inexact statements respecting the foreign-wine industry in its relation to the trade with this country have either been made or presented to this honorable committee by parties who by reason of interest are opposed to the importation of foreign wines, statements which are apt to mislead in arriving at conclusions bearing upon the tariff, this chamber, in the interest of truth and justice, begs to supplement the information conveyed to this honorable committee in a former memorial on the subject, presented at the hearing on November 12, 1908, with the following evidence:

LABOR.

Stress has been laid by the California wine interests upon the difference in the wages paid to labor in this and foreign countries as an argument for not countenancing any reduction of the present high rates of duty on wine.

While we recognize that the cost of labor is as a rule much higher in this country than abroad, and that the fundamental principle upon which is based the tariff, as a protective measure, is that of balancing the difference in the cost of labor existing between the United States and foreign countries, allowing besides a reasonable profit to American industry, we can not refrain from calling the attention of this honorable committee to a fact that has escaped the notice of those witnesses who have stated the wages paid to labor in Europe, viz, the notable increase in the cost of labor that has taken place in European countries, especially in Italy, since 1900, the year to which the data quoted from the volume of the Bureau of Labor, "Wages in commercial countries, 1900," refer.

Fully eight years have elapsed since those data, which really refer to wages in 1899, were collected, during which time labor conditions have materially changed in several of said countries, notably in Italy. From this country alone 5,207,730 people belonging almost entirely to the laboring classes have migrated during the last decade, of whom about 1,754,000 with destination to the United States. This fact has created a scarcity of labor in Italy, especially in the southern provinces of the peninsula, whence comes most of the wine shipped to the United States, and whence emigration has been most numerous. With the scarcity of labor thus created wages have naturally increased, so that while a vineyard hand was paid from 40 to 50 cents per day ten years ago, under the present changed condition of the labor market the same hand can not be secured for less than 60 to 70 cents per day, and in some cases even higher wages are paid to the man at the hoe.

In an article on the effect of emigration upon Italy, by A. Mangano, that appeared in volume 20, No. 5, May 2, 1908, of *Charities and the Commons*, a review of social science published in New York, this increase of wages is vouched in the following words (p. 173) :

* * * The landholders are grumbling because they can not find enough men to care for their crops, because wages have doubled and they are getting into debt.

Emigration has not only caused a notable increase of the wages paid to labor, which has made the wine industry unremunerative, but, what is yet worse, has created a scarcity of labor, in consequence of which a portion of the crop, which has cost money and trouble to raise, often remains unpicked and spoils on the vines, because of the inability of the growers to secure the necessary help.

Again, the disadvantage of the higher cost of labor in the United States is practically counterbalanced by the greater efficiency of the labor employed through more improved methods of cultivation and the more easily tillable soil, not so hard or stony as the soil prevailing in Italy.

Recent legislation enacted in European countries, Italy included, against or restricting child labor, has made the gathering of the crop, as well as other kinds of work connected with the wine industry, more

expensive than it used to be heretofore, while in California the employment, often resorted to, of Asiatic labor in pruning the vines and picking the grapes is a factor reducing the cost of labor that was not stated by the California wine interests.

FREIGHTS.

The freight rates on foreign wines imported into the United States reported by the California wine interests are inexact and not according to facts. They allege that it costs more to ship California wine to eastern markets than to import and distribute foreign wine in the United States, stating $7\frac{1}{2}$ cents per gallon as the railroad rate charged from California to New York, against about 2 cents as the maritime freight on Italian wines.

Without questioning the railroad freight on California wines, we note, however:

First. That the freight of about 2 cents per gallon, stated by the California wine interests as the prevailing freight on Italian wines, is far below the actual figure, which is more than double the amount stated. Imported wines in casks pay, on the basis of a maritime freight of 25 shillings per ton, about 3 cents per gallon net, to which figure must, however, be added in the case of fractional shipments, such as prevail in the case of imported wines, $1\frac{1}{2}$ cents for contingent expenses (consular invoice, insurance, loading and unloading charges at the shipping port, etc.), bringing the actual maritime freight in the majority of cases of imported foreign wine up to $4\frac{1}{2}$ cents per gallon, a figure equal to the most favorable maritime freight on California wine from San Francisco to New York.

The $4\frac{1}{2}$ cents per gallon represent the actual outlay in bringing foreign wine from Genoa or Naples to the dock in New York, but do not represent the actual cost of freight from the place of production of said wine to New York or other markets of the United States to which that wine may be destined. To the maritime freight must be added the inland freight on the wine from the place of production to the port of shipment, and the further freight from the port of landing in the United States to the market to which it is consigned.

Italian wines shipped to the United States do not, as a rule, come from the immediate neighborhood of such ports as Genoa, Leghorn, etc., but from inland districts often far away from the port. The most important wine-growing districts of Italy are, in fact, located at a considerable distance inland, so that it becomes absolutely necessary to add the inland to the maritime freight, in order to establish the true cost of transportation.

Two factors must be considered as entering into the cost of this inland freight, which naturally varies according to distances from the port, and these are:

First. Railroad freight.

Second. Cartage from winery to railroad station.

Differing from California, where wineries have been built according to modern industrial requirements along a railroad or with railroad connection, which gives to the Californian producer a great advantage over his foreign confrère, few wine establishments enjoy similar facilities in Italy, the large majority of them being located

far out into the country in the middle of vineyards and often far away not only from the railroad, but even from highways. The wine has, therefore, to be loaded, first, on wagons, then to be carted over many miles of country road, and in some places of the south, where means of communication are wanting, even on the backs of mules, in order to reach the railroad station whence it is to be forwarded to the port from which it is shipped. At the station it has to be unloaded from the wagons and loaded on the railroad cars, and again at the port it has to be unloaded from the railroad cars and loaded on the ship, thus going through a number of loading and unloading operations which not only greatly increase the cost of transportation, but also the risk of the safe conveyance of the goods. Cartage along country roads, with contingent loading and unloading operations, will cost at least from 1 to 2 cents per gallon, and as much will be the cost of railroad freight in reaching the port of shipment, so that in estimating the inland freight at an average of 3 cents per gallon is a conservative figure. In the case of cased goods freight charges come naturally much higher. Hence, the reason why the inland freight is often much higher than the maritime.

When the 3 cents per gallon, representing the average inland freight, are added to the $4\frac{1}{2}$ cents representing the maritime freight plus contingent expenses, it will be seen that it costs as much, if not more, to ship wine from Italy to New York as it does to send wine from California to New York by the overland route, viz, $7\frac{1}{2}$ cents per gallon, while California wine can be shipped by sea from San Francisco to New York from $4\frac{1}{2}$ to $5\frac{1}{2}$ cents per gallon.

Let us illustrate our statement with a few examples. To ship wine from Cerignola, Italy, which is an important wine-growing district about 200 miles southeast of Naples, to New York it costs $8\frac{1}{2}$ cents per gallon, and from the province of Basilicata, which is comparatively nearer to Naples but in unfavorable conditions as regards means of communication, it costs as much as $9\frac{1}{2}$ cents per gallon.

When foreign wine has reached New York or any other Atlantic coast port, it has reached one market of consumption, but not yet the inland markets of the United States, to which, however important its consumption may be in New York, is distributed according to the demand. Italian and foreign wines go as far as San Francisco, which in year 1906 imported by direct shipment alone (without taking into account the quantity received through New York dealers) 20,605 cases and 2,399 gallons. Chicago (with 34,867 gallons and about 10,000 cases of Italian wines received directly in year 1906), Pittsburg, Buffalo, Cleveland, Cincinnati, St. Louis, St. Paul, Denver, etc., the many important and thriving manufacturing cities of New England, the State of New York, Pennsylvania, Ohio, Illinois, and other prosperous Middle West, Western, and Southern States, are all markets where numerous consumers of Italian wine exist; and, although some of them receive direct importations, they are, however, mostly tributary to New York, which books and fills their orders for small quantities at a time.

To reach these markets foreign wines have to pay additional freight, which, in the case of shipment from New York to San Francisco and other western points, are higher than in the case of the freight on California wines sent to the eastern markets. Without

going as far as San Francisco, let us take, for instance, the case of imported wine sent from New York to Chicago, which is only one-third of the distance, and where about 100,000 Italo-American citizens ask for these wines. Italian wine, after having paid about $7\frac{1}{2}$ cents per gallon, against $4\frac{1}{2}$ cents for California wine shipped by sea to reach New York, has to pay an additional freight of 65 cents per 100 pounds gross weight, or about $7\frac{3}{4}$ cents per gallon, to reach Chicago, making a total of $14\frac{1\frac{3}{4}}{4}$ cents per gallon, or almost double the freight of $7\frac{1}{2}$ cents per gallon paid by California wine to reach that market.

California, in shipping to inland markets, has the advantage of carload rates, which imported wines have not, as the demand for such wines is only for smaller quantities at a time. It is a fact that through rates from Italian ports to some inland markets of the United States, such as Chicago, exist, but they are practically unavailable because carload orders for imported wines are never received from such markets. In actual business the rates paid are not the through rates, but the rate to New York first, and thence the rate from New York to Chicago.

While for California wines New York is the last point reached, for imported wines it is only the first point, and in considering the pros and cons in the matter of freights equity requires that the same field be covered in the case of foreign as in that of domestic wines, when it will be seen that the advantage in freight is by far on the side of the domestic product—to the extent, we would say, of 100 per cent in favor of the latter.

Second. That more than one-half of the California wine shipped to New York, in fact all important shipments, do not come by railroad, but by sea, subject to a rate of $4\frac{1}{2}$ to $5\frac{1}{2}$ cents per gallon. In the year 1907 the arrivals by sea of California wine to New York were of 1,503,700 gallons, and the shipments in the previous five years were as follows:

	Gallons.
1906-----	1, 887, 900
1905-----	2, 843, 550
1904-----	3, 641, 700
1903-----	3, 431, 390
1902-----	3, 407, 445

“However, these figures,” notes the Bonfort’s Wine and Spirit Circular, at page 216, volume 69, No. 5, January 10, 1908, “do not indicate that the consumption of California wines is decreasing, for, as a matter of fact, it is on the increase. Whether California wines arrive by sea or by rail is pretty largely a matter of the existing freight rates.”

The lower figures in the arrivals of California wine by sea during the last three years were due to the destruction of the old stock by the San Francisco fire of April, 1906, in consequence of which 15,000,000 gallons were lost; so that not only was the supply materially reduced, but shipments had to be made from inland California points, in which case it was more convenient to ship by rail than by sea.

The reciprocity rate of 35 cents per gallon on wine from Italy has been in force from July, 1900, and as the shipments by sea of California wines to New York have since increased up to 1904, this

shows that the reciprocity rate has not been the cause of the decrease in the importations by sea of California wine to New York that took place in the following years, however meaningless this decrease in the shipments by sea has been with regard to the consumption of California wines, which, as Bonfort's Wine and Spirit Circular states, has not decreased, greater having been the quantity of California wine shipped by the overland route since 1906.

The construction of the Panama Canal, now under way, which has been alluded to in the memorial of the chairman of the general committee of the State of California on tariff revision as a means of extension of transportation facilities, will enable California growers to ship their wines to New York and other Atlantic-coast markets at a much lower, probably one-half of the present, rate. This will give to California wines within a comparatively near future not only a far greater advantage over foreign wines in the matter of freight, but also in that of the time required to reach eastern markets, which is also a factor of great commercial importance.

WHY THE IMPORTATION OF ITALIAN WINES HAS INCREASED UP TO 1907 AND HAS DECREASED IN 1908.

A statement has been made before this honorable committee alleging that the increased importation of Italian wines has prejudiced the consumption of the California product. Statistics have been quoted in an attempt to substantiate this statement, which, however, upon impartial consideration of actual facts, can not fail to prove groundless.

In one of the memorials presented by the California wine interests it is even alleged that the importation of Italian wines has increased 500 per cent of what it was four years ago, while, as statistics show, it was in fiscal year 1907 only 82.22 per cent greater than in 1904; and such spellbinding statements as "the United States being made the dumping ground for the surplus of European wines" occur, which might be effective with a different class of men than the gentlemen composing this honorable committee, who do not ignore the fact that in the case of such countries as France and Italy, which have produced in 1907, respectively, 1,744,255,207 and 1,495,126,400 gallons of wine (against only 55,000,000 gallons produced in California), it is not the 1,860,227 gallons of wine in casks and 198,785 dozens of still wine in bottles imported into the United States from Italy in fiscal year 1907, or the 427,767 gallons of wine in casks and 214,986 dozens of still wine in bottles exported by France to this country in the same year that can solve the problem of overproduction of this commodity in the countries above mentioned, their exports to this country being practically but a drop in the bucket when compared with the enormous amount of wine produced by them. Even the total export trade of Italian wines to foreign countries, which scarcely represents $2\frac{1}{2}$ per cent of the total production, is an almost immaterial factor in the problem of disposing of the surplus production, amounting to several hundred million gallons, so that it will be seen that a few million gallons more or less in the exportation, such as represented by the shipments to this country, are practically insignificant in so far as to secure to the surplus production an adequate outlet.

Italian wines exported to this country have gradually increased, as follows:

Fiscal year—	Gallons.	Cases.
1901.....	251,934	97,150
1902.....	372,059	85,242
1903.....	689,626	112,946
1904.....	974,190	127,432
1905.....	1,077,594	153,137
1906.....	1,420,484	164,747
1907.....	1,860,227	198,785

The reason is to be found simply in the gradual increase of Italian immigration into the United States, which was as follows:

Fiscal years ending June 30—	Number.
1901.....	135,996
1902.....	178,375
1903.....	230,622
1904.....	193,296
1905.....	221,479
1906.....	273,120
1907.....	285,731

The above figures explain why the importation of Italian wines, as of other Italian products, has increased. It must be noted, however, that the Italians who have emigrated to the United States are not only consumers of the wines of their native country, but also of domestic and especially of California wines, the consumption of which increased steadily from 1901 to 1904, as shown by the following figures indicating the arrivals of California wine by sea at the port of New York, during all of which years the reciprocity rate with Italy was in force:

	Gallons.
1901.....	3,389,845
1902.....	3,407,445
1903.....	3,431,390
1904.....	3,641,700

In 1905 the arrivals of California wine by sea at New York amounted to 2,843,550, thus showing a small decrease, due to shortage of the crop in 1904 and increase in price. In 1906 they decreased further to 1,887,900 gallons, and further still to 1,503,700 gallons in 1907, owing to the great shortage in the supply caused by the loss of about 15,000,000 gallons through the San Francisco fire, followed by the scarce vintage of 1906. The vintage of 1907 was abundant, but did not become available till 1908. This year will also show a decrease, due to the economic and commercial crisis that has affected the country, restricting the consumption in most lines of goods, and to the exodus of many Italian immigrants (estimated at 500,000), who have returned to the old country on account of bad times.

These causes have reduced the consumption of California as well as of Italian wines, as shown by the arrivals of said wines at New York during the first eleven months of 1908, which have been for California wines by sea of 1,361,150 gallons, against 1,409,900 gallons

during the same period of 1907, and for Italian wines of 795,120 gallons and 107,264 cases, against 998,180 gallons and 128,484 dozens in the same period of 1907.

If the claim of the California wine interests that they have suffered in consequence of the importation of Italian wines was true, the importation of these wines in 1908 should not have decreased, as it has, instead, to the amount of about 20 per cent, and as it is still decreasing at a greater ratio, but should have increased, all the more so as the supply has never been so plentiful in Italy and prices so favorable as during 1908, a further proof that even extraordinarily abundant crops, either in Italy or France, do not affect materially trade conditions with the United States.

As already stated in the former memorial presented by this chamber to this honorable committee, Italian wines do not compete with domestic production, owing to the wide difference in price, the minimum cost price for Italian wine in New York being 70 cents per gallon, against 36½ cents for California wine.

California and Italian wines, being respectively of a different standard of quality, answer different requirements of the demand, only an occasional demand for a higher-grade article on the part of the Italian consumer being the field covered by the Italian supply, while California wine provides to the everyday consumption of the Italian immigrant class, who will, however, turn to beer or cider if prices are increased or quality not maintained satisfactory; another reason this why the consumption of California wines has not, perhaps, kept pace with its possibilities as it would if the quality of the wine during the last three years had been more satisfactory, and its price, which used to be around 30 cents per gallon, had not been increased by the combination of California interests practically controlling this industry.

The reason, therefore, why the importation of Italian wines has increased up to 1907 is the increased immigration from Italy, in the same way as the exodus of the same immigrants, who have returned to Italy in 1908, has determined a shrinkage in the shipments of Italian wines to this country for the same year.

It is merely a coincidence, which the California wine interests artfully exploit in their vain attempt to substantiate a claim of alleged prejudice to their industry from the increased importation of Italian wines, that since 1905, viz, five years after the reciprocity rate became effective and the shipments of California wine to New York had steadily increased, the quantities of the latter began to shrink, which on the face of the increased maritime freights (the rate used to be formerly only about 3½ cents per gallon) is first of all no actual evidence of decreased consumption, shipments overland having in many cases superseded shipments by water; but even admitting it were proof of diminished consumption, it was due to the unfortunate circumstances aforesaid, namely, shortage in supply caused by loss through the San Francisco conflagration, shortage of vintages, poor quality, accompanied by an aggravating increase of price (which increased 10 cents per gallon point blank soon after the fire) for an article the consumers of which turn easily to other beverages such as beer and cider, when price is raised beyond a certain limit and the standard of quality is not satisfactory.

ALCOHOLIC STRENGTH OF ITALIAN WINES.

The California wine interests allege that since the enactment of the uniform reciprocity rate of duty of 35 cents per gallon, irrespective of the alcoholic strength of the wine, whether below or above 14 per cent of alcohol by volume, almost the entire bulk of Italian wines imported in casks is represented by wines containing over 14 per cent of alcohol, and in proof of their assertion quote the figures from page 1020 of the official statistics relating to the foreign commerce and navigation of the United States for the year ending June, 1907, according to which out of a total of 1,860,227 gallons of Italian wines imported in said fiscal year, 1,736,702 gallons are represented as containing more than 14 per cent of alcohol and 64,428 gallons as containing that amount or less.

On the basis of such figures the California wine interests, by hypothetical arguments and veiled innuendos, as well as by open statements unsupported, however, by any proof, attempt to insinuate that Italy is bringing over distilled spirits into the United States under the shape of wine, that dry wines fortified to as much as 24 per cent of alcohol are imported in order to be diluted with water so as to double the quantity of merchandise and thus reduce the duty from 35 to 17½ cents per gallon, and similar damaging statements, in support of which not an iota of evidence is submitted, save the possible deduction from the statistical figures above stated.

Against such unwarrantable allegations as the above, advanced with such statements as "personally I do not know anything about Italian wines," "remember that I am not making the claim that this is done," which render all the more unjustifiable the insinuations made, this chamber enters a most emphatic denial and protest. The statistical data, quoted by the California wine interests to demonstrate that the bulk of wines in casks imported from Italy are above 14 per cent of alcohol, although official, are, we believe, incorrect, as they are not based upon actual verification by analysis of the alcoholic strength of all the wines imported, which was rendered superfluous (save in very rare cases of doubt as to wine containing more than 24 per cent of alcohol) after the application of the uniform reciprocity rate irrespective of the amount of alcohol contained.

Upon this point this chamber invites this honorable committee to inquire fully into the methods followed in establishing said statistical classification and to ascertain facts.

The whole fabric of hypotheses and insinuations against the Italian wine trade, based by the California wine interests on the official figures relating to fiscal year 1907, is entirely demolished when it is considered that the official figures as to the quantities of Italian wines imported below and above 14 per cent in fiscal year 1907 are unsupported by proof.

Certainly a mistake has been made, and it looks entirely as if a mistake of transposition were made, namely, that the quantities stated for fiscal year 1907 as containing over 14 per cent of alcohol should, instead, be under the head of wines containing 14 and less of alcohol per cent, and vice versa. In proof whereof confront the figures of which the exactness is questioned with the corresponding official figures for the fiscal years previous to 1907, which follow:

Italian wines in casks imported into the United States under the reciprocity rate of 35 cents per gallon.

Fiscal year ending June 30—	Total im- portations in casks.	Containing 14 per cent and less of alcohol by volume.	Contain- ing more than 14 per cent of alco- hol by volume. ^a	Percent- age con- taining 14 per cent and less of alcohol by vol- ume.
	<i>Gallons.</i>	<i>Gallons.</i>	<i>Gallons.</i>	
1906	1,420,484	1,374,303	46,181	96.75
1905	1,077,594	1,021,421	56,173	94.79
1904	974,190	901,644	72,546	92.55
1903	689,626	628,716	60,910	91.17
1902	372,059	331,597	40,462	89.12
1901	251,934	204,580	47,354	81.24

^a Calculated by difference.

On the face of the foregoing figures for a series of fiscal years previous to 1907, is it not strange and unexplainable that the character of the importations should have changed so materially as to make the percentage of wines imported at 14 and less of alcohol, which was 96.75 in 1906, as low as 6.64 a year after, or in 1907, and that the percentage of wines imported above 14, which was 3.25 in 1906, should have become as high as 93.36 in 1907? Is it feasible that such radical change should occur in a single year? Is it not far more likely that a clerical error of transposition of figures has been made in the statistics relating to fiscal year 1907? It seems to this chamber that the figures under the head "Wines containing more than 14 per cent of alcohol" should be placed under the other head "Wines containing 14 and less per cent of alcohol." Comparison with the figures of previous fiscal years proves that it should be so and that clearly a clerical error of compilation has been made, as the importations could not have changed their character so profoundly in the brief space of one year.

But this chamber needs not go begging for evidence on this score. From the following table, compiled with the data taken from an official publication of the Italian Government on the composition of the wines and grapes of Italy ("Notizie e studi intorno ai vini ed alle uve d'Italia," published by the Ministero di Agricoltura, Industria e Commercio, Roma, 1896), the alcoholic strength found upon analysis of about 12,000 samples of natural unfortified wines collected from the different provinces of the Kingdom is shown to be as follows:

Containing alcohol by volume, per cent—	Number of samples of wine examined.		
	Red.	White.	Total.
4 to 5	5	2	7
5 to 6	21	6	27
6 to 7	73	26	99
7 to 8	207	51	258
8 to 9	429	113	542
9 to 10	751	222	973
10 to 11	1,068	389	1,457
11 to 12	1,276	622	1,898
12 to 13	1,718	561	2,279
13 to 14	2,322	337	2,659
14 to 15	972	249	1,221
15 to 16	256	154	410
16 to 17	91	48	139
17 to 18	22	7	29
18 to 19	1	—	1
	9,212	2,787	11,999

From the above table it will be seen that the average alcoholic strength of Italian wines, according to the samples examined, is 12.08 per cent; that only 15 per cent contain more than 14 per cent of alcohol, a character this which is likely to be shared also by the importations into this country. The deductions from the foregoing table furnish further evidence that the official figures as to the quantities of Italian wines imported above and below 14 per cent in fiscal year 1907 are erroneous, and to substantiate this reasonable assumption, we will state that there are no red fortified wines shipped to this country from Italy, the only types of fortified Italian wines which are shipped to the United States being Marsala, a white Sicilian wine, the shipments of which in year 1906 (the latest available figure) according to Italian official statistics amounted to about 64,400 gallons; and vermouth, a sweetened, slightly fortified, and aromatized white wine, shipped from Piedmont, the exportations of which in casks were in 1906, according to the same source, 26,000 gallons; a total aggregate of fortified wine in bulk exported from Italy to the United States of about 90,400 gallons, against a total importation of Italian wines into the United States in the same year of 1,420,484 gallons (United States statistics).

In fiscal year 1896, when the two rates of duty on wine were still in force according to its containing more or less than 14 per cent of alcohol, the aggregate of wine in casks imported into the United States amounted to 2,768,484 gallons. Of these 1,709,957 gallons, or about 61½ per cent, were represented by wines containing 14 or less per cent of alcohol, and 1,058,527 gallons, or about 38 per cent, by wines above that figure. There is no reason why these percentages should have undergone material change under the uniform reciprocity rate. The quantities imported under and above 14 per cent are only stated in the aggregate and not by countries in the statistics of fiscal year 1896. Italy, producing on the average wines of lower strength than Spain and Portugal, the importations from which latter countries are chiefly represented by naturally strong or fortified wines, would in the aggregate be at a disadvantage as to the percentage below 14, which would be higher if its importations were considered separately.

Finally, in support of our contention that the official figures for fiscal year 1907 as relating to the amounts of wine, respectively, imported under and above 14 per cent of strength are incorrect, we submit the following: It is well known that Germany produces the wines of highest alcoholic content, Rhine and Moselle wines averaging in alcoholic strength from 10 to 12 per cent, owing to the fact that Germany is at the extreme northern latitude for grape growing, and that the fruit, which often fails to attain perfect maturity, develops normally a comparatively limited amount of sugar.

According to the official figures for fiscal year 1907, Germany imported into the United States 768,784 gallons, or about 79 per cent of its total importations, above 14 per cent of alcohol, and only 203,774 gallons, or about 21 per cent, below that standard. From these percentages it would appear that four-fifths of the German wines possess a higher alcoholic strength than 14 per cent, which is far from truth. The reverse is the case for Germany as for Italy and France.

Apart from the foregoing considerations, proving the error of the figures upon which the California wine interests base their argument,

there are other reasons which would prevent the importation of fortified dry wines and their subsequent dilution, namely:

First. The standard for dry wine established by the United States Department of Agriculture and proclaimed in Circular No. 19, Office of the Secretary, June 26, 1906, establishes that dry wine shall contain no more than 16 per cent of alcohol by volume, which is far short of the 24 per cent, and low enough to prevent wines being imported for the unlawful purpose of reducing them to lower the burden of the duty.

Second. The enactment and enforcement of the food and drugs act, June, 1906, prevents such practice as alleged by the California wine interests, which would constitute adulteration and be punished and stopped as such within the meaning of said act.

Third. By such dilution as the California wine representatives allege, it would be impossible to obtain drinkable wines, the flavor of the wine not being determined by the alcoholic contents but by the total solids, which can not be put into the wine so as to hide adulteration, and the resulting product of such dilution would be a concoction devoid of its natural vinous flavor, such as demanded by consumers of wine, and impossible to sell. No other addition can be so easily detected in wine as that of water used in sufficient quantity to allow a profit.

NO BOUNTY ON EXPORTED ITALIAN VERMUTH.

A statement has been made to this honorable committee that the Italian Government allows an export bounty on vermuth. This chamber begs to state that this is not true. If it were, vermuth would, according to the present tariff law, have been subjected to an extra duty equal to the amount of the bounty paid.

Vermuth is a sweetened and slightly fortified wine, to which the extract of aromatic herbs has been added for the purpose of imparting to it its characteristic flavor. It has an average strength of 15 per cent of alcohol and contains from 10 per cent upward of sugar. In Italy it is prepared with white wine having a natural alcoholic strength of about 11 per cent. The Italian Government allows on the vermuth destined to exportation the drawback of the internal-revenue tax on what little amount of wine spirits (about 3 or 4 per cent) is used to fortify. Likewise, drawback of the duty or of the internal-revenue tax on sugar imported or manufactured in Italy is allowed for the amount of cane sugar added to vermuth destined to exportation, such allowance not exceeding, however, 5.25 lire (about \$1) per hectolitre—26½ gallons. Similar drawbacks of duties or internal-revenue taxes are allowed in all countries, including the United States, on articles imported for manufacture and then reexported. But the United States goes further by allowing the fortification of sweet native wines with grape spirits practically free of tax, not only when said fortified wines are exported, but also for home consumption.

The whole question amounts, therefore, to the partial allowance of the internal-revenue taxes on duties returned on spirits and sugar, which is not an export bounty, similar practices obtaining in the fiscal laws of all countries.

FOREIGN SWEET WINES ARE DISCRIMINATED AGAINST IN THE USE FOR MEDICINAL PURPOSES.

The California wine interests avail themselves of the unfortunate circumstance that some time ago a regulation was issued by the Internal Revenue Department against the use of domestic sweet wine free of tax in the manufacture of patent or proprietary medicines, to claim that they are discriminated against and not sufficiently protected against foreign sweet wines.

As the disqualifying regulation in question has recently been suspended indefinitely by the Internal Revenue Department, no such claim can now be advanced, and fortified California sweet wines can be used in the preparation of medicinal wines as well as the imported sweet wines.

The theory of the department in issuing the regulation in question was that as California sweet wines are fortified with untaxed spirits, the Government would be defrauded of revenue if such wines could be used in medicinal preparations, while the use for the same purpose of imported sweet wines, which pay a duty of 35 cents per gallon, would not have caused any loss to the revenue.

With the removal of the ban on native sweet wines, these are benefited to the extent of from \$3,000,000 to \$4,000,000 annually, and the disqualification is now on the side of the foreign sweet wines, which have to pay a duty of 35 cents per gallon, while native wines can be used for medicinal purposes practically free from any tax.

Vermuth is manufactured in the United States free of tax, while imported vermuth has to pay a duty of 35 cents per gallon when in bulk and of \$1.25 per dozen quarts when in bottle.

Vermuth, of which sweet wine is the normal base, and which forms a large item under the head of imported wines, can be manufactured in the United States free of duty, as the sweet wines which are used for this purpose are fortified with practically duty-free grape spirits. Native wines containing as much sugar as required for the manufacture of vermuth (10 to 15 per cent) and much more spirits (they can be fortified up to 24 per cent) than is required for the manufacture of vermuth (about 15 per cent) are largely used in the manufacture of such product in the United States, not only with the advantage over the imported article of exemption from any duty or tax, but also with the advantage that by using a native sweet wine fortified up to 24, or even only up to 20 to 21 per cent of alcohol, a greater quantity of vermuth can be made with the domestic wine than it is possible to make abroad, where mostly wines of only 11 per cent strength are used for this purpose.

Foreign vermuth of 15 per cent strength, by paying duty at the rate of 35 cents per gallon, pays at the rate of $2\frac{1}{2}$ cents per degree for alcoholic content and not at the rate of $1\frac{1}{2}$ cents, as stated in the memorial of the chairman of the general committee of the State of California on tariff revision, there being no vermuth imported at the strength of 24 per cent. On the contrary, vermuth manufactured in this country pays no tax at all, and when considering that from 1 gallon of domestic sweet wine fortified up to 24 per cent of alcohol far more than 1 gallon of domestic vermuth can be manufactured it will be seen that the protection in favor of domestic vermuth is not only of 35 or 40 cents per gallon, but actually higher.

ANY INCREASE IN THE DUTY ON WINES WOULD DAMAGE THE AMERICAN
COOPERAGE TRADE WITH FOREIGN COUNTRIES.

The California wine interests state in one of their memorials that all oak for cooperage must be imported from the East and pay a high freight to the Pacific coast.

In this respect the trade in imported wines is even under greater disadvantage. Italy imports almost all her cooperage from the United States, especially from the forests of Missouri and other southwestern and southern States. In the year 1906, out of a total of 22,391 tons of staves imported into Italy, 19,465, valued at 4,048,720 liras, or 86.93 per cent of her supply, came from the United States. Owing to the large size of the Italian wine industry Italy is a far larger consumer of American cooperage than California. We might state that Italy pays annually to the United States, on account of the cooperage imported from this country, as much money as the United States pays to Italy for the aggregate importation of Italian wines, and while Italy admits American cooperage free of duty, the United States charge on the average a 100 per cent duty on Italian wines.

In respect to freight on cooperage Italy is at a decided disadvantage in comparison with California. First, the cooperage has to be hauled to New Orleans or some eastern port, thence to be shipped to Italian ports, thence again forwarded inland to the places where the wineries are, thus paying three freights, the first in the United States, the second for the ocean voyage, the third from the Italian port to final destination, against one freight only paid by the California wine maker.

CONCLUSION.

Any hindrance to the importation of Italian wines in this country in the shape of augmented duties would affect correspondingly this now flourishing American trade in staves with Italy, and from this standpoint, as well as from the other reasons aforesaid, this chamber reiterates to this honorable committee its earnest recommendation that the tariff on foreign wines remain unaltered if it is not possible to reduce it, as the interests of both consumption and revenue would make advisable.

If no reduction of the present duties on wine, representing on bulk wines a protection of 100 per cent in favor of domestic production, is granted and the duties are rearranged according to a maximum and minimum tariff, then this chamber recommends that the present reciprocity rates (viz, 35 cents per gallon on wines in bulk and \$1.25 per dozen on bottled still wine) be made the maximum rates.

The consumption of wine in this country is already suffering from the depressed condition caused by the prohibition propaganda, which does not except, as might reasonably be expected, in favor of such salutary beverages as light wines when used in moderation, but wrongly maintains on it the ban that it places on strong intoxicating beverages; it is also suffering under the heavy burden of restrictions placed upon it by fiscal excise laws, so that it has now reached the critical point when any increase of burden would prove fatal to it.

Under its distressed condition it appeals to the wisdom of the legislators for relief, and in this appeal, which this chamber earnestly hopes will not remain unheeded, it reminds them of the wise words

with which one of the greatest American statesmen, Thomas Jefferson, pleaded its cause before Congress in a famous message, from which we quote:

"I rejoice," wrote Jefferson, "as a moralist, at the prospect of a reduction of the duties on wine by our national legislature. It is an error to view a tax on that liquor as merely a tax on the rich. It is prohibition of its use to the middle classes of our citizens and a condemnation of them to the poisons of spirits which is desolating their homes. No nation is drunken where wine is cheap, and none sober where the dearness of wine substitutes ardent spirits as its common beverage."

For the Italian Chamber of Commerce in New York:

G. PERERA,
G. GRANATA,
Acting President.
G. R. SCHROEDER,
Secretary.

THE WINE AND SPIRIT TRADERS' SOCIETY OF THE UNITED STATES SUBMITS SUPPLEMENTAL BRIEF RELATIVE TO WINES, SPIRITS, VERMUTHS, AND GINS.

32 BROADWAY,

New York City, January 8, 1909.

COMMITTEE ON WAYS AND MEANS,

Washington, D. C.

GENTLEMEN: We desire to call to the attention of the honorable Committee on Ways and Means having in charge a revision of the tariff the following facts affecting the question of duty upon wines, spirits, vermuths, gins, etc.

The market of the United States is not the city of New York. In determining the comparative costs of marketing foreign and native wines and spirits, Chicago, St. Paul, or St. Louis are either of them much nearer the center of population, and as well of demand, than is New York.

In any estimate of the cost of carriage, therefore, there must be added to ocean freight the charges from New York to the central markets, and the cost of carriage for native products must be to those markets and not to New York.

The difference in the cost of labor in the production of wines, foreign and native, has nearly if not quite disappeared within the past five years. The reasons for this are three in number:

First. The emigration from the countries of Europe, Italy especially, to this country, during the past five years, has taken from the labor class of Europe between three and one-half and four millions, all of whom have been added to the labor class in the United States. As a result there is at the present time in France, Germany, and especially in Italy, a scarcity of labor, and the rate for the same consequently rules from 25 to 40 per cent higher than five years ago.

Second. This very immigration has materially increased the labor class in the United States, particularly the "open air" labor, and, taken in connection with the Japanese immigration upon the Pacific coast, the result has been to reduce from 10 to 20 per cent the cost of labor in the United States as compared with five years ago.

Third. The resultant of labor in this country, dependent upon the better food and personal surroundings of the laborer, is from 25 to 50 per cent greater than in Europe for the same number of hours.

It is only reasonable to conclude, therefore, that the question of labor is no longer a factor in the wine industry.

A number of the statements submitted to this committee by the home interests, or, it may be said the California interests, since that State claims to produce 70 per cent of all wine made in the United States, were erroneous. Especially to correct such errors and to lay the actual facts before the committee this supplemental brief is submitted.

The total annual production of wine in the United States is not \$55,000,000, as stated by Mr. Morgan, but about 53,000,000 gallons.

The wages, as quoted by the same gentleman, were taken from data nine years old by his own admission. For the reasons already given the same do not set forth the labor conditions as they exist to-day.

The freight rates quoted from California in every case were to New York, not to the central market of the United States, while in quoting rates from Europe no account whatever was taken of inland freight; whereas all foreign wines—German, French, and Italian—have to pay a very considerable charge for carriage before arriving at the point of shipment. As heretofore set forth in our preceding statements, no freight on foreign wine is less than $2\frac{1}{2}$ cents per gallon, while the average rate is $4\frac{1}{2}$ cents per gallon, and in some cases runs as high as $9\frac{1}{2}$ cents. This is only the ocean freight and the inland carriage charge differs from 2 cents per gallon to 7 cents.

It will thus be seen that the statement of the Californian interests as to foreign wines and spirits is only about one-half the sum actually paid by the importers.

As an example of the freight charges upon German wines, which is a fair average of all foreign wines, we submit the following:

	Marks.
Consular expenses, brokerage fees, stamp, etc., lighterage per cask, 2,200 pounds	39. 25
Ocean freight to New York	39. 20
	78. 45

being equal to \$19. This means a gross cost of nearly 1 cent per pound, equal to 8 cents per gallon. To this must be added cost of insurance and inland carriage in country of production.

A "dry wine" is one in which the natural sugar of the grape has been almost entirely fermented out.

A "fortified" or "reinforced" wine is one partially fermented and strengthened by the addition of wine spirit.

The percentage of alcohol in the various wines runs about as follows:

	Per cent.
Champagnes	12
Sherries	19
Burgundies	13
Ports	22
Marsala	24
Hocks	11
Bordeaux	11
Hungarian	13
California clarets	12

A "still wine" is one in which by two fermentations all the carbon dioxide has been removed.

A "sparkling" wine is one subjected to only one fermentation before bottling, and which therefore retains a portion of the carbon dioxide and continues fermentation or sparkling when uncorked.

This condition may be natural or may result from treatment and by an addition of carbon dioxide.

"Champagne" should apply and be permitted to apply only to the wines grown and bottled in the Champagne District in France.

No American product is entitled to be called a "champagne" under the rules and regulations of the food and drugs act.

It may be of interest to the committee to compare present prices of foreign and American wines. We submit prices of January 1, 1909, of the same:

Foreign.

	Hogshead.	Price per gallon (about).
Bordeaux wines:	<i>Gallons.</i>	
Montferrand.....	60	\$0.90
St. Loubes.....	60	.96
Premiere.....	60	1.00
St. Emilion.....	60	1.40
Red wines, Clos de Maizieres.....	60	.96
Rhine wines and Moselle:		
Stuger.....	60	1.65
Bodenheimer.....	60	1.75
Cueser (Moselle).....	60	1.85

Native.

		Per gallon.
Italian—Swiss colony:		
Port.....	Hogshead..	\$0.22½
Sherry.....	do.....	.30
Muscatel.....	do.....	.27½
Angelica.....	do.....	.27½
California Wine Association:		
Port.....	do.....	.22½-.25
Sherry.....	do.....	.30-.32½
Muscat.....	do.....	.27½-.30
Angelica.....	do.....	.27½-.30
Ordinary claret.....	do.....	.20

From these figures it will be seen that all of the California and native red wines and clarets sell for less than the present duty. Under such conditions it would be no additional protection to increase the duty, as such action could only result in reducing the importation and thereby diminishing the amount of revenue. It could not increase the sale of native wines, as the use of wine is entirely dependent upon personal taste, and the man who drinks a foreign wine will not substitute a native wine merely because the native is cheaper. If so, this result would arrive under present conditions, as native wines cost much less than foreign even now, and an increase in the tariff could not be expected to change the taste of any consumer.

Such an increase would only result in a diminution of revenue, as less would be sold and therefore less imported.

The falling off in the sales of domestic wines has been due to three principal causes: The reduction in production following the San Francisco disaster, the reduction in demand, due to the financial

stringency of 1907, and, third, the exodus of more than half a million wine users during the past eighteen months.

If the temperance movement has affected the wine trade, it has doubtless been felt by both the native and the foreign dealer, but naturally more by the home producer, as his wines, being cheaper, are used by a larger number of citizens, and therefore respond more quickly to any national sentiment, such as the prohibition movement.

The statement made by Mr. Morgan that since reciprocity treaties the importation of wines has enormously increased is contradicted by his own figures.

By these tables it appears that champagne in 1907 were 14,000 cases less in importation than in 1906, 23,000 less than in 1905, and 42,000 less than in 1904, while Bordeaux and Burgundies ran about the same in 1907, 1906, 1905, 1904, 1903, and were less than in 1901, and Rhine and Moselle were almost the same in quantity in 1907, 1906, 1905, being less than in 1904.

Italian wines alone have increased, and their increase is fully accounted for in the enormous immigration from Italy to this country during the past five years.

As has been shown in a previous brief filed by this society, the statement that the importation of wines having more than 14 per cent of alcohol was 1,738,702 gallons in 1907 was a transposition of figures.

The theory of Mr. Morgan, set forth at great length in his appearance before the committee, to the effect that the Italian wines were being imported under the reciprocal agreement at 35 cents duty, and reenforced by spirit from their natural proof of 2 per cent or more alcohol up to 24 per cent so that they might be diluted upon this side, thus depriving the Government of its just tariff dues and also deceiving the consumer, is creditable only for its ingeniousness. As a practical possibility it fails upon examination. First, alcohol, whether spirit of grapes, grain, or potatoes, is more expensive abroad than in this country, so that it would be better business to send the wine over without reenforcement and add the spirit on this side; and, second, any attempt to dilute a reenforced wine to any considerable extent destroys the flavor of the wine. The effort to do what Mr. Morgan suggested would result in spoiling the wine and rendering it a total loss to the importer. As a matter of fact, no record can be found of any such procedure with any foreign wine.

Mr. Morgan further erroneously stated that the importer paid no duty upon bottles and corks, whereas the fact, which may be verified at any custom-house where wines are imported, is that a fixed amount is added to the duty upon the wine to cover the duty on bottles, corks, labels, packing, and cases. The actual duty, estimated upon the quantity of wine in a case of quarts, would be about 85 cents. The amount of duty charged and collected is \$1.25 per case, the extra 40 cents being the duty arbitrarily charged upon the glass, labels, corks, etc.

Mr. Lee J. Vance stated before the committee that the reciprocal agreement made with France by which the duty on champagne was reduced from \$8 to \$6 per case was a present of \$2 to the importer.

We are unable to determine whether it was ignorance that dictated this assertion; but if Mr. Vance had simply read the price lists of the importers of champagne issued after the signing of the

reciprocal agreement referred to he would have found the following to be the facts in the matter:

	Per case.
Monopole Red Top champagne, reduced.....	\$2. 00
Delbeck & Co., champagnes, reduced.....	2. 00
Mercier champagne, Private Cuvee, reduced.....	2. 00
Louis Roederer champagnes, reduced.....	2. 00
Pommery champagnes, reduced.....	2. 00
Perrier-Jouet champagnes, reduced.....	2. 00
Veuve Clicquot champagnes, reduced.....	2. 00
Mumm & Co. champagnes, reduced.....	2. 00
White Seal champagne, reduced.....	2. 00
Krug champagne, reduced.....	2. 00

In two or three cases advances were made in the foreign price of champagnes, but in every case the importer gave to the wholesaler the full benefit of the \$2 reduction. The only person who probably did not benefit by the reduction was the consumer who bought wine in a cafe or restaurant. The house trade received the reduction from the retail dealers in every case that we have been able to investigate.

The statement that the \$2 was a gift to the importer was absolutely without foundation.

The reciprocal treaty with France was of absolutely no benefit to the importer of wines, but the reduction in French duties, which affected American beef and pork products, agriculturals and fruits, and many manufactured articles, was.

Mr. Vance also stated that the highest price paid for champagne grapes abroad was \$30 to \$35 per ton, while high-priced grapes sold in California for from \$60 to \$80 per ton.

We have no knowledge as to the price of the domestic grape, but upon the authority of one of the largest champagne houses in France we are able to state positively that at no time during the past ten years have fine champagne grapes sold in France at less than \$300 per ton, and the price has often been as high as \$400. The cheapest grapes from which champagne is ever made command \$100 per ton, and the wine made from such grapes is not bottled as champagne, but as a still wine, and is never sent out of the country. By the law of France only the wine made in a specific district from grapes grown in that district can be called champagne. The total product is about 50,000,000 bottles annually. Of this quantity twenty to thirty million bottles are consumed in France as a still wine; another 10,000,000 bottles are also consumed at home as sparkling champagne, about 8,000,000 bottles of sparkling champagne are sent to England, and about 4,000,000 to the United States.

Champagne, that is, the sparkling champagne, being the only champagne which is exported, requires to be kept in cellars in an even temperature for about four and one-half years before it is ready to market. Large producers have cellars often 60 feet deep and miles in extent, where millions of bottles are ripening year after year.

The cost of the champagne grape land, often running up to \$2,500 per acre, the care of the vines, the cost of the grapes, the bottling, and long ripening of the wine, all combine to render the business one requiring large investment and to make the product expensive. There is and can be no comparison of any so-called "American champagne" or "sparkling wine" with the best brands of the foreign wine.

A fair example of the inaccuracy of the statements made in the California interests may be found where it is stated that Scotch and Irish as well as Canadian whiskies come into this country labeled simply as whisky and sold as such in violation of the food and drugs act.

As a matter of fact, all imported whiskies are now labeled in exact accord with the food and drugs act, a number of seizures for failure so to do having been made. This statement will be fully verified by the department of chemistry.

All foreign goods, wines, spirits, cordials, foods, and drugs are placed upon the same footing as American goods of the same class, notwithstanding Mr. Vance's statement to the contrary. This fact may be verified also by reference to the Department of Agriculture.

The entire effort of the California interests in its presentation before the committee was to befog the question at issue, and if possible to induce the committee to recommend an increased duty, not, as admitted by Mr. Vance to increase the revenue, but to so burden foreign wines as to reduce their importation and thus benefit the California wine grower. Of all the arguments presented before the Committee on Ways and Means from the opening of the public hearings to the close, we submit that those of the Californians, with reference to their particular products, wines, oranges, lemons, olives, and nuts, display most clearly the purely selfish interest which has prompted them.

They do not ask for an increased duty on any of these articles to protect an "infant industry" or to benefit the consumer or augment the revenue. They ask the increase in every case to burden the importer and thereby enlarge their own market. The public and the Government do not enter into the calculation.

We desire to submit a suggested change in paragraph 300, under Schedule H of the present tariff act, so that the same may read as follows:

Ginger ale and ginger beer and other similar beverages containing no alcohol, in plain green or colored molded or pressed glass bottles, containing each not more than three-eighths of a pint, per dozen, ten cents.

More than three-eighths of a pint each and not more than three-fourths of a pint, per dozen, eighteen cents.

More than three-fourths of a pint and not more than one and one-half pints, per dozen, twenty-eight cents.

No additional duty on bottles.

The split of ginger ale and club soda is a recent innovation imported for the convenience of the American consumer of these goods, and we feel certain that no objection can legitimately be made against the revision of the paragraph 300 in order to specifically cover this new package, which was not in existence when the present tariff law was passed.

Finally, we most earnestly submit to the honorable committee these propositions:

First. The present duty rate is all sufficient to protect home interests, as is proven by the fact that during the past eleven years the home production of wines has increased fully 1,000 per cent.

Second. Any advance in the present rate of duty upon wines and spirits will do one of two things; either greatly reduce the revenue

by diminishing the quantity of importations, or arrive at the same result by driving a large proportion of the present dealers out of the trade, in either which contingency the loss of revenue to the Government will be serious.

Third. To increase the present duty rate will be to grant a bonus to a few producers, already fully protected and conducting a profitable business, at the expense of the importers, also citizens of the United States entitled to equal consideration, and as well at the expense of the millions of consumers. For it goes without contradiction that to increase the duty rate upon wines and spirits will be to increase the cost, whether native or imported, to the consumer.

For these reasons we urge that no change of duty rate be made in Schedule H of the present tariff act, except to equalize the same where now inequitably affected by existing reciprocal agreements.

THE WINE AND SPIRIT TRADERS' SOCIETY
OF THE UNITED STATES,
By FRANCIS E. HAMILTON, *Their Attorney.*

PERCY T. MORGAN, SAN FRANCISCO, MAKES REPLY TO STATEMENTS OF WINE AND SPIRIT TRADERS' SOCIETY.

180 TOWNSEND STREET,
SAN FRANCISCO, CAL., *January 16, 1909.*

THE WAYS AND MEANS COMMITTEE,
House of Representatives, Washington, D. C.

DEAR SIR: In the matter of Schedule H, "Spirits, wines, and other beverages," I respectfully ask the privilege of making a reply to the brief submitted by counsel for the Wine and Spirits Traders' Society, dated December 10, 1908, as a rejoinder to statements made before your committee November 12, 1908.

Quoting from the said brief of counsel for the Wine and Spirits Traders' Society:

It must be further noted that immigration from Italy, Germany, France, and other European countries has so depleted the ranks of labor as to increase the wages in these countries fully 100 per cent within the last ten years, whereas in California, Asiatic labor is coming more and more into use at prices which favorably compete with the lowest grade of prices in Europe.

Doubtless by the words "immigration from Italy, Germany, France, etc.," is meant immigration into the United States, otherwise the word "emigration" would have been used.

The average annual immigration to this country for the last ten years (without allowing for persons returning, which represent a considerable percentage) has been as follows, according to information furnished by the Department of Commerce and Labor:

Italy.—Gross immigrants 182,467, or slightly in excess of one-half of 1 per cent of the average population of Italy.

Germany.—Gross immigrants 32,065, or considerably less than one-tenth of 1 per cent of the average population of Germany.

France.—Gross immigrants 6,275, or about one-fiftieth of 1 per cent of the average population of France.

and in the presence of any proof other than the bare assertion of the learned counsel who signs the brief of the Wine and Spirits Traders' Society, the broad statement that

Immigration from Italy, Germany, France, and other European countries has so depleted the ranks of labor as to increase the wages in these countries fully 100 per cent within the last ten years.

can hardly be accepted as evidence, especially in view of the fact that it is neither corroborated by his own subsequent figures nor those of the Italian chamber of commerce, whose statement follows in the record.

Attention is called also to the inaccuracy of the last portion of the quoted statement regarding Asiatic labor in California, which it is well known, instead of increasing has, due to the Chinese exclusion act, been very much on the decrease in the last ten years and now commands, approximately, equal remuneration in the fields with white labor.

The statement,

Inland freights upon wines in Italy, Germany, and France will average more than 7½ cents per gallon to the seaboard,

is unsupported by proof. A cursory examination of the map of Europe, showing the distances of the wine districts from the seaboard, shows how highly improbable the statement is. It is, in fact, contradicted in the brief of the Italian chamber of commerce of New York, from which the following is quoted:

In estimating the inland freight at 3 cents per gallon as a conservative figure;

and

when the 3 cents per gallon, representing the average inland freight, are added; and, by way of parenthesis, it may be remarked that California wine makers labor under precisely the same disadvantages, in getting their wines from the interior to San Francisco, which confront European wine makers.

The counsel for the Wine and Spirits Traders' Society, in making comparison of freight rates from seaboard to interior points of the United States, quotes the less than carload rate from New York to Chicago as against carload rates from California to the same point. A proper comparison, in the same quantities, of the rates is as follows:

	Cents per 100 pounds.	Cents per gallon.
WINE IN BARRELS.		
Carload lots:		
New York to Chicago.....	\$0.35	\$0.03½
San Francisco to Chicago.....	.75	.07½
Less than carload lots:		
New York to Chicago.....	.55	.05½
San Francisco to Chicago.....	2.00	.20
WINE IN GLASS.		
Carload lots:		<i>Cents per case.</i>
New York to Chicago.....	.50	.27
San Francisco to Chicago.....	1.00	.54
Less than carload lots:		
New York to Chicago.....	.75	.40
San Francisco to Chicago.....	2.25	1.20

When canal and lake routes are open, the rates New York to Chicago are very considerably less, and therefore still more in favor of imported wines. The weight of wine in barrels may be taken at 10 pounds per gallon, and a case of 12 full quarts at 54 pounds.

The statement of the learned counsel therefore:

It will be seen that the advantage in freight is by far on the side of the domestic product, to the extent, we would say, of 100 per cent in favor of the latter,

is not only unsupported by evidence, but practically reverses the true facts.

Again quoting:

More than one-half of the California wine shipped to New York—in fact, all important shipments—do not come by railroad, but by sea.

According to statistics gathered by the Journal of Commerce of New York, the total arrivals, by rail and sea, of California wines at that port for the past three years have been as follows:

1905—8,346,450 gallons, of which 2,843,550 gallons, or 34 per cent, came by sea.
1906—6,334,600 gallons, of which 1,887,900 gallons, or 29.8 per cent, came by sea.
1907—6,326,400 gallons, of which 1,503,700 gallons, or 23.8 per cent, came by sea.

These statistics, I think, completely demolish the assertions of the counsel for The Wine and Spirits Traders' Society.

Again quoting from the brief of The Wine and Spirits Traders' Society:

A number of misstatements were made by those representing the California interests, among others it may be stated that the importation of Italian wines has increased 1,000 per cent within the past four years.

The statement of the California representative referred to in this uncomplimentary manner was:

The increase of Italian wine in New York from 1901 to 1907 was from 87,776 gallons in 1901 to 1,263,040 gallons in 1907.

These figures (taken from the record of "Importations at the port of New York," Bonfort's Wine and Spirit Circular, which are in turn derived from the custom-house records) show an increase of considerably more than 1,000 per cent within the period stated.

Again quoting from the aforesaid brief:

As a sample of the loose and misleading statements made by the California representatives, we call attention to a single instance. Referring to the statement by Mr. Morgan, in which he states that the importation of Italian wine containing more than 14 per cent of alcohol advanced from 64,428 gallons to 1,736,702 gallons in 1907, which figures Mr. Morgan claims to have taken from the Evans tables, I desire to state that by investigation of the records of the custom-house at New York Mr. Morgan's figures appear to be in error.

I (Mr. Morgan) never heard of the Evans tables, and do not know now what they are, and therefore did not refer to them or quote from them. My quotations were taken from the compilation of the Department of Commerce and Labor, Bureau of Statistics, entitled: "Imported Merchandise entered for Consumption in the United States, and Duties collected thereon, 1907," page 58 thereof:

Still wines, in cases or packages other than bottles or jugs, containing 14 per cent or less of absolute alcohol (reciprocity treaty with Italy), 64,428.86 gallons. Containing more than 14 per cent of absolute alcohol (reciprocity treaty with Italy), 1,736,702.36 gallons.

On November 12, the authority for the above figures was distinctly given in my statement:

Mr. MORGAN. I am reading from page 58, of imports entered for consumption in the year ending June 30, 1907.

and again—

Mr. MORGAN. I am obtaining my data from the Government.

The CHAIRMAN. You get your data from the Government as they are collected?

Mr. MORGAN. Certainly, these are the statistics of the Department of Commerce and Labor.

Therefore, if any statements should be characterized as "loose and misleading," I respectfully submit that the guilty party is not Mr. Morgan, who was particularly careful to make no statement that had not been previously verified by an examination of the best records, either those of the United States Government or the next best obtainable authority.

In conclusion, I would respectfully call attention to the fact that there seem to be no real points of difference between the importers of foreign wines and the representatives of the domestic wine industry regarding any revision of the tariff.

In a colloquy between the chairman of the committee and the counsel of The Wine and Spirits Traders' Society, the following occurred:

The CHAIRMAN. Have you discussed this question at all from the revenue standpoint?

Mr. HAMILTON. Not in these papers; no, sir.

The CHAIRMAN. Wine is a pretty good revenue producer.

Mr. HAMILTON. That is the reason we indorse the present schedule.

And quoting from the brief signed "E. Mariani, vice-president for the Italian Chamber of Commerce in New York:"

Our conclusion therefore is that the present conventional rates of duty on wines and spirits be maintained unaltered, if it be not possible to reduce them in the interest of consumers, and our recommendation in the matter of tariff legislation may be summed up in this motto: "Let well enough alone."

On the side of the domestic producers, the following is taken from the Record:

Mr. CLARK. I understand you want a raise on this tariff business and want to shut these wines out.

Mr. MORGAN. Oh, no, Mr. Clark. When I get to the end, you will see that that is not what I am after. I am after a differentiation between wines that naturally contain alcohol and those which contain potato spirits, or anything else to make the alcohol.

And again from the Record:

Mr. MORGAN. Gentlemen, I have not come to ask for any reduction in the tariff on dry wines. I think the 35 cents duty, even under the reciprocity clause, is a fair one, but I do ask that the duty on case or bottled wines be readjusted because it is absolutely unfair. It is less than the duty on bulk wines, when it should be greater, on account of the higher value of the wines, and the fact that labor so largely enters into the question of the cost of the wine, and I do ask that, under any revision of the tariff, a differentiation should be made between the wines which contain alcohol by natural fermentation of grapes and wines which contain added distilled spirits.

Again from the Record:

Mr. UNDERWOOD. If the question should come to a maximum and a minimum tariff, what effect would it have on this industry, and how, in your judgment, should it be made?

Mr. MORGAN. A minimum tariff should not be less for dry wines than the present reciprocal tariff of 35 cents per gallon. There should be added to that for wines which are fortified by alcohol—that is to say, distilled alcohol—such an amount as is considered proper to protect the revenue. Then it should be ranged up. But I do not care how high you put it as a maximum, but the minimum should not be less than the present tariff, the reciprocal tariff, on dry wines.

The tariff on wines was singled out for reduction under the reciprocity clause in the Dingley tariff, and therefore the maximum and minimum, or reciprocity idea, is already in effect as regards wines.

For countries which give reciprocal advantages to the United States, the duty on wines containing up to 24 per cent of alcohol is 35 cents per gallon, and on bottled wines \$1.25 per dozen.

For other countries, the duty is—still wines, containing 14 per cent or less of alcohol, 40 cents per gallon, but if containing more than 14 per cent of absolute alcohol, and not more than 24 per cent, 50 cents per gallon. In bottles, \$1.60 per case.

There is therefore fair ground for the request respectfully submitted on the part of American wine producers that, as wines have already been the subject of revision downward, a further reduction at this time would be unjust and, in view of the greatly increasing importations of foreign wines under the prevailing duties, unnecessary. Figures furnished by the Department of Commerce and Labor, giving importation of wine from Italy, are as follows (in thousands of gallons):

Year ending June 30—	Gallons.
1890.....	225, 000
1891.....	269, 000
1892.....	299, 000
1893.....	407, 000
1894.....	323, 000
1895.....	330, 000
1896.....	391, 000
1897.....	400, 000
1898.....	366, 000
1899.....	335, 000
1900.....	429, 000
1901.....	486, 000
1902.....	578, 000
1903.....	963, 000
1904.....	1, 282, 000
1905.....	1, 448, 000
1906.....	1, 820, 000
1907.....	2, 343, 000
1908.....	2, 668, 000

With regard to the desirability of so amending the wording of the law that it will avert the possibility of importing distilled alcohol under the guise of "wine" up to 24 per cent, at a less rate per degree than the existing internal-revenue tax, no argument would appear necessary. Indeed, the importers, in declaring inaccurate the quoted statistics regarding alcohol percentage of imported wines, present no argument in favor of the continuation of the present regulations under which, as stated in the previous hearing:

It would seem not to be difficult for the United States Government, through the operation of these reciprocity treaties, to be lawfully defrauded of a large portion of its revenue from distilled spirits by the use in rectifying of these high-proof fortified wines.

With regard to the manufacture of vermouth and the statement of the importers:

Vermuth is manufactured in the United States free of tax, while imported vermouth has to pay a duty of 35 cents per gallon when in bulk and of \$1.25 per dozen quarts when in bottle.

The statement made at the hearing of November 12 is again reiterated, that the existing internal revenue laws of the United States prohibit the making of vermouth with wines fortified under the sweet wine law, while imported vermouth, fortified with tax free (or drawback alcohol) up to 24 per cent, is permitted entry into the United States under existing tariff laws at a duty per degree of alcohol which is only about two-thirds of the internal revenue tax on domestic distilled spirits.

The Italian population of the United States constitutes the best customer of the domestic wine industry. Without them it would seriously languish. The friendliest of feelings and the best of good will should exist on this subject. The Italians come to this country to better their condition. There is nothing in the law to prevent their engaging in viticulture if they find such industry profitable. While naturally feeling an interest in the products of their own native land, Italians should not ask, and I fully believe do not desire to appear as asking, for their native wines imported into this country, any greater advantages than are now possessed under the existing tariff laws, when any reduction might tend to destroy, or render unprofitable, an established industry of the land of their adoption, and so diminish the prosperity which they come here to share.

Respectfully,

PERCY T. MORGAN.

WINES AND MINERAL WATERS.

STATEMENT OF LEE J. VANCE, 245 BROADWAY, NEW YORK CITY, SECRETARY OF THE AMERICAN WINE GROWERS' ASSOCIATION, RELATIVE TO WINES AND MINERAL WATERS.

THURSDAY, *November 12, 1908.*

Mr. VANCE. I might say in explanation that I am the secretary of the American Wine Growers' Association and publisher of the trade journal devoted to that interest, that is, to wines and mineral waters.

I would like briefly to supplement Mr. Morgan's remarks in some particulars where he has not touched or perhaps brought out the points that we think should be brought out. Before doing so, I would refer to the remarks of Mr. Hamilton, the attorney of the importing interests, and also the attorney for the Italian Chamber of Commerce.

I appreciate his compliment, because his argument seems to be a direct answer to an interview which I had with the reporter of the Journal of Commerce of last Monday, and therefore, without repeating the interview, I would like to put it in evidence, as that answers his remarks. He is evidently trying to answer what I said there.

Speaking of the hearing, Secretary Lee J. Vance said:

The grape and wine growers of the United States believe that the majority in Congress will continue that wise policy which has always fostered and encouraged agriculture, which includes, of course, viticulture, or the growing of grapes. As a result of this policy thousands of farmers in the Eastern States and in California have been led to plant 300,000 acres of vineyards, and the annual grape and wine crops of the United States not only represent investments of about \$100,000,000 of capital, but they are now one of the great sources of wealth and prosperity to the people of the vineyard districts of our country.

Our wine makers are now the largest and best customers of the grape growers, who receive higher prices for their product than anywhere in the world. Thus our champagne makers paid this fall from \$80 to \$90 per ton for their grapes, and although grapes were cheaper this year in California than for many years, yet the growers there sold their crops at prices which would be considered extravagant in France, in Italy, or in Spain. In those countries wines can be made and sold so cheaply as to make it impossible for our wine makers, who pay such high prices for their labor and their grapes, to compete at all with their foreign rivals.

Even at the present time in France and in Italy ordinary wines are now being sold at 8 and 10 cents per gallon. If the tariff were lowered to any extent, the foreign wine dealers could flood this market with cheap wine, and thus take the market away from our own grape and wine growers. Even under the present tariff duty immense quantities of cheap foreign wines are shipped into the United States and sold at the same price as our cheapest wines.

In point of fact, California wines pay a duty in the shape of $7\frac{1}{2}$ cents per gallon freight charges to get to the New York and other eastern markets, while the cost of bringing foreign wines by sea to the same markets is only about $2\frac{1}{2}$ to 3 cents per gallon.

In conclusion, there is no good reason why foreign wines, which are mostly regarded as a luxury, should not pay a proper duty; that is, a duty which will give proper protection to the capital and labor interested in the American grape and wine growing industry.

In addition to that, I should also like to contradict some of the remarks of Mr. Hamilton, based upon facts as to the price of foreign wines and as to the cost of getting them here and as to what is proper protection.

I have here the last number of the *Feuille Vinicole de la Gironde*, of October 29, the wine paper published at Bordeaux, and which we receive in exchange at our office. The quotations for wines at Montpellier, at Bordeaux, and at Beziers are as follows: The sale of 1,500 hectoliters from the sellers, partly, at 9 francs 50 centimes a hectoliter. At Beziers the sale of different lots of wine, ranging from 5,000 to 13,000 hectoliters, at 9 francs 25 centimes a hectoliter to 10 francs per hectoliter.

I would say that a hectoliter is 26 gallons and a half. I would say also that the franc is about 20 cents of our money, and therefore the prices would range from \$1.80 to \$2 per hectoliter, which is at the rate of about 8 or 9 cents per gallon.

In the same journal is the market report from the correspondent in Spain, showing that their wines are now being sold at 23 to 25 pesetas for 160 liters of 12 to 13 per cent of alcoholic strength.

In Italy the sales of wine are quoted on the basis of 6 to 11 liras per hectoliter, the lire being about the same as the French franc—20 cents.

Those are facts, and I believe that a pound of fact is worth a ton of theory. The cost of producing ordinary wines in France, or in Italy, or in Spain is very low; so cheap that we could not possibly, with our conditions here, undertake to compete with wines at 8 and 10 cents per gallon.

I have the last edition of the *Revue des Vins & Liqueurs*, published in Paris, which says: "In Languedoc business is improving. The quality of the new wines is not up to that of last year, but business is done at the rate of 80 or 90 centimes, the degree per hectoliter for the small wines, and 90 centimes to 1 franc 10 for fine wines."

Those are facts as to what the wine is selling for over there, and those wines would come into ruinous competition with ours unless we had some protection against them.

Mr. BOUTELL. Are those wines imported to this country that you have just quoted?

Mr. VANCE. Yes; the dealers buy those wines throughout the country. No wine man would have made the statement that Mr. Hamilton did—that Italian wines would not bear the sea voyage, while the California wines do. Wine is wine, if it is properly made, and should stand the sea voyage.

Mr. BOUTELL. The French wines that you quoted there sell in the American market?

Mr. VANCE. Certainly.

Mr. BOUTELL. Those wines are quoted there at 7 cents a gallon.

Mr. VANCE. Eight and 10 cents a gallon.

Mr. BOUTELL. What are they quoted for on the wine tariff at the hotels in Washington?

Mr. VANCE. A dealer buys wines by the barrel and bottles them generally under his own label, and he often gets a fictitious profit, because he sells to customers who are willing to pay his prices.

Mr. BOUTELL. In other words, we can greatly increase the duty on these wines, at the same time leaving an enormous profit to the foreigner and greatly increase our revenue?

Mr. VANCE. Undoubtedly. In other words, if Mr. Hamilton's theory is correct, that the reduction of the tariff on those wines the consumer pays for, in a certain sense, while if you raise the tariff the consumer will get the benefit of it; that is absurd.

I have another clipping showing what the Italians are doing under the present tariff. The Italians have made the greatest progress in the importation of wines. I have here the statistics for the month of October, 1908, giving the importation of wines, spirits, etc., at the port of San Francisco. The Italian dealers send their wines 3,000 miles to New York, and then 3,000 miles more to California, right under the nose of our friend Mr. Morgan and others. I will read a list of the cases as reported (reads): 125 cases Chianti. 20 cases of Marsala. 250 cases Vermuth. 150 cases F. Bercolli. 151 cases Marsala; 900 cases, 200 cases, 1,100 cases, and so on. The importers are not so very bad off when they can do that and ship foreign wines right into San Francisco, and it seems to me, without repeating any of Mr. Morgan's arguments, and without going into details, there is no doubt that we need the present tariff duty of 35 cents per gallon.

Mr. Hamilton also remarked that our native wine industry is no longer an infant industry; but it is, and two members of this committee can verify my statement. I think the chairman of this committee has seen in his own district barren land along the lakes originally worth \$15 an acre, become covered with beautiful vineyards. In Mr. Needham's district, owing to the demands of the wine makers, thousands of acres have been turned into vineyards within the past

ten years. That is what the tariff has done for our industry. It is an infant industry. We think we make fine wines; naturally we are proud of them. At the same time we are not strong enough to overcome the prejudice of the people, nor are we in a position to compete with the cheap foreign wines.

I have also a letter here published in the San Francisco Call of October 4 from a traveler in Italy dated Asti, August 28, which says:

Asti, from which I write these notes, lies in the center of the wine trade in the north of Italy and is a prosperous city of nearly 40,000 inhabitants. Although the wine this year is only worth 8 cents a gallon, yet I have never seen a drunkard in the streets, and the peace of the city is protected by the limited number of six city guards.

Turning now to the subject on which Mr. Morgan has not touched, and with which I am rather familiar, the eastern wine and champagne industry. The champagne industry centers in New York State, around what is known as Lake Keuka region. There are some eight or ten wineries that produce probably 75 per cent of the domestic champagne. The greatest progress has been made in our champagnes as far as promoting and selling them to the people is concerned. The reciprocity treaty with France reduced the duty from \$8 to \$6 per case, giving the importer \$2 per case as a gift. Last year, with an importation of 419,000 cases, that \$2 gift was simply putting in the importers' pockets \$838,000, in round figures, and it has benefited no one except the importer. The price of champagne to the consumer is the same. The importer has not made any reduction except in a few cases where competition has forced him to do so.

MR. CLARK. Why do not the people who sell the wines, those at the hotels and such places, wake up and force the importers to give them a part of that gift?

MR. VANCE. In a few cases a reduction was made, whereby 85 cents of the \$2 gift went to the dealers, but \$1.15 was kept by the importer.

MR. CLARK. They ought to divide it up so that the importer would get a little, the hotel would get a little, and the drinkers would get a little.

MR. VANCE. But the latter got nothing. As I have said, we made a gift of \$2 a case, and they are using that \$2 a case for general advertising, which is done on a very liberal scale, to fight our own domestic champagnes. American champagnes are making great headway, but our increase has been due to the American people getting wise to the fact that they can buy a bottle of American champagne, equal to that which is imported, at about half the price.

MR. HILL. That is not a question of competition at all, but a question of revenue?

MR. VANCE. Yes. Why should we make a reciprocity treaty and give the foreigner \$2 per case?

MR. HILL. But what difference does it make as long as it does not affect your industry?

MR. VANCE. They use that \$2 in order to fight us in a commercial way. If we had \$2 a case to fight them, it would make a great difference with us. Our champagnes sell at wholesale from \$12 to \$14 a case, the consumer paying about \$1.50 to \$2 a bottle. If you would give our champagne producers \$2 a case, I will warrant you they will spend \$1.90 of that in promoting it, because champagne

is a wine that must be "promoted," as we call it. In order to increase the sale of champagne you have to use means of introduction which the still-wine maker does not require. The promoter goes around, treating his friends, "opening wine," as it is called. All that is a help to the importer, but it does not help anybody else.

Mr. BOUTELL. In other words, you have given an illustration of a straight reduction of 25 per cent in the tariff where the consumer gets no benefit whatever?

Mr. VANCE. Yes; and that is the absurdity of Mr. Hamilton's proposition. I have never yet seen anyone or heard of anyone getting a benefit from that reduction excepting the importers, and I do not think anybody else has.

Mr. LONGWORTH. Mr. Hamilton also said that it costs three times as much to produce the same quality of champagne in France as in this country.

Mr. VANCE. I am glad you asked that, because it gives me an opportunity to deny that statement point-blank. The fact is that our grapes for champagne, as I said in that interview, are the highest-priced grapes. Last fall our wine makers paid sixty to eighty dollars a ton for Delawares and Ionas and other grapes which are used in the manufacture of champagne.

Mr. CLARK. How much do they sell for abroad?

Mr. VANCE. There the highest-priced grapes are those used for champagne, and they sell for \$30 to \$35 a ton.

Mr. CLARK. You know that, do you?

Mr. VANCE. That is the fact.

The cheapest grapes are raised in the south of France, where the wine strikes were last year. The vineyards there cover the land just like our great cornfields do in the West, and you can ride for hours and always be in sight of a vineyard. There, of course, grapes are very cheap—\$5 or \$6 a ton.

Mr. LONGWORTH. What is the relative cost of production?

Mr. VANCE. The cost in this country as compared with the cost of foreign champagnes, I should say, is at least 25 to 35 per cent higher.

Mr. CLARK. Mr. Vance, does the land upon which champagne grapes grow in France sell for six, seven, or eight hundred dollars an acre?

Mr. VANCE. In the champagne districts it does; yes.

Mr. CLARK. How did Mr. Hamilton get hold of the information which he gave us upon that?

Mr. VANCE. I am not accountable for Mr. Hamilton's figures. There are places in France where land is worth a thousand dollars an acre.

Mr. CLARK. That is what I thought. I should think that the interest upon the grape land in France would be as much as the land is worth here.

Mr. VANCE. Vineyards are rated at a high figure in the Lake Keuka district, and I think you would have to pay \$500 an acre for many of them.

Mr. CLARK. But that is after it is already put out in vineyards.

Mr. VANCE. It is already put out in vineyards in France.

Mr. CLARK. No; I understood the land itself was worth that.

Mr. VANCE. Oh, no. It is only in certain parts of France. In those small centers of production you will find, under their customs and traditions, lots of land cut up into small parcels which are not sold frequently, but handed down by inheritance. Therefore such lands are valued highly. There are vineyards in France that bring very high prices in the champagne district, but it is the exception that proves the rule.

In regard to freight rates, I understand that the German Government gives what might be called a rebate to the wine exporters in order to encourage the exportation of wines. A gentleman who claims to know, says that it costs as much to send a crate of crockery from East Liverpool, Ohio, to Chicago, Ill., as it would the same product from Germany to Chicago, on account of the combination rate, so to speak, whereby the steamship line gets so much and the inland freight lines so much, but the reduction is made in order to encourage German exports.

The duty on mineral waters:

I would like to call the attention of this committee to another subject outside of wines, and that is to paragraph 301, mineral waters.

Our mineral-water industry has been growing very fast, but we should meet the tariff regulations of France, which country practically prohibits American waters. The French tariff law of July 18, 1906, imposes a duty of 20 francs (\$3.86) per 100 kilos; that is, 220 pounds, not including bottles. This is simply prohibitive, and is undoubtedly meant to shut out American waters. The French duty of 20 francs per 100 kilos on our waters means \$3.71 per case of 100 pints and \$3.25 per case of 50 quarts. It means \$1.42 on the water alone.

Now, when France gives us that kind of a tariff, I think we should give France the same thing; that is to say, there is no reason why France, in order to protect her mineral waters—

The CHAIRMAN. Is that the minimum tariff of France?

Mr. VANCE. I will say that I have here a letter from Hon. Robert T. Skinner, United States consul-general at Marseille, referring to the French duties. They not only assess the water, but put an extra heavy duty on containers, such as jugs and bottles. We were building up quite a trade with some of the well-known waters there when the duty barred us out.

They have also made another restriction in their tariff. Before water is allowed to be imported into France or offered for sale 5 gallons must be bottled at the spring in the presence of a representative of the French Government and two or more disinterested citizens, sealed in their presence, and forwarded to the bureau of chemistry and hygiene, and a permit authorizing the importation must be issued.

Mr. LONGWORTH. What is their tariff against other countries?

Mr. VANCE. The same thing, I think. That is their general tariff law.

Mr. Skinner, in his report of the French duty on foreign waters, says: "As to foreign mineral waters, they can only be imported into France if they figure upon the official list of authorized mineral waters."

You have to pass an examination, so to speak, which so few foreign waters do. A German foreign water, the Apollinaris, goes into France under the old régime, but it is obliged to be labeled "artificial," with the idea that in bottling Apollinaris salts and gas are added, in order to give it life and sparkle.

Mr. Skinner further says: "In the contrary case they are prohibited. But this prohibition may be removed by ministerial decision upon a formulated demand addressed directly by the importers to the minister of the interior. The general tariff upon mineral waters is 20 francs per 100 kilos (\$3.86 per 220 pounds) net, and their recipients are subjected to the tax applicable, according to their nature. Under the minimum tariff (which does not apply to products of American origin) mineral waters are free of duty; for such as are imported in jugs, the immunity extends to the container and to the contents; but when they are imported otherwise than in jugs the recipients, bottles, etc., are taxed separately. I complete the information here supplied by indicating that the restrictions mentioned apply only to importations of a commercial character. In the case of medicines or mineral waters, imported in trifling quantities for the personal use of individuals and beyond the range of commerce, the administration may, exceptionally, and upon special request in each case, authorize the introduction of such articles upon the payment of the taxes laid down in the regular list."

It only shows what other countries are trying to do for their industries and for their products, including wines and mineral waters, and I do not see any reason, as a good American, why we should not do the same.

In conclusion, there is another thing that occurs to me in regard to the labeling of foreign products. In preparing a new tariff law there should be some uniformity whereby our domestic products are not placed at a disadvantage. For example, Scotch and Irish whiskies, which under our pure-food law should be labeled "imitation" whisky, or artificial whisky, come in without any restriction, simply as whisky, is sold as such, and the consumer thinks he is getting the straight goods.

Now there should be some clause put into the tariff whereby the Secretary of the Treasury, or the proper authorities, can have the labeling of our products uniform, and at the same time make the foreign product be labeled in the same way as the domestic product.

MR. GAINES. Does the pure-food law require the labeling of foreign goods?

MR. VANCE. Our commercial treaties seem to interfere with the pure-food authorities. The regulation in reference to seizing falsely labeled foreign whiskies was suspended. Such incoming products should be marked the same as our own. The hesitation of the Treasury officials in applying the regulation was due to the fact that under the law there was no power in the Treasury Department to proscribe the proper marking of such goods. Under the present law the foreign goods do not stand on an equal footing with ours. They should be put on a footing with ours. I think that the foreign dealers should be compelled to mark their goods in the same way as domestic goods are marked.

Mr. BOUTELL. Have you considered whether any amendment could be made to Schedule A whereby the revenue could be increased?

Mr. VANCE. I do not know whether I can answer that in a brief form. I think possibly I could if I were given more time in which to do it.

Mr. BOUTELL. In a general way, do you think that the suggestions which you have been making, if conformed to, would increase or decrease the revenue?

Mr. VANCE. I do not think there would be much difference. As suggested by Mr. Morgan, the present rate should not be less than 35 cents per gallon on wines. The foreign dealers are now sending wines into Mr. Morgan's own city. In October they sent in over 2,000 cases. The present duty does not keep them out, and therefore it does not decrease the revenue.

Mr. BOUTELL. Is there at the present time any combination or association of wine producers for the purpose of regulating the price?

Mr. VANCE. Not at all. Competition regulates the American wine trade entirely. Competition has brought the price down to the lowest figure in years.

Mr. BOUTELL. At the present time there is no factor that regulates prices except competition.

Mr. VANCE. That is all. There is very sharp competition. In so far as the wine people agree, and I think they do agree, it is to the effect that they want the tariff let alone; but if anything be done they would like to have it slightly increased.

Mr. BOUTELL. Do you think that the suggestions which you wish to have inserted into a new tariff bill would in any way encourage combination among the domestic producers so as to increase the price?

Mr. VANCE. No; I think not, because the industry is too widespread. In order to have a combination successful it must monopolize the source of supply. The sources of supply in this country are the vineyards of the country. The vineyards of New York comprise 60,000 acres. Ohio has about 8,000 acres. Michigan has perhaps 10,000 acres, and in Missouri and other sections there are 5,000 to 7,000 acres, and in California there are 230,000 or 240,000 acres, so that you see a combination would be impossible.

Mr. HILL. There is a combination among the New York producers as to their own product?

Mr. VANCE. I do not think there could be, because in that case the manufacturers in Ohio would send their products over the line by reason of the fact that we have free trade between our own States.

Mr. HILL. What I mean is that the individual producers of New York do not sell at individual prices. They sell at a fixed association price.

Mr. VANCE. Not at all. There may be one or two large firms which have a sort of a general business understanding as a matter of trade comity. They can not fix prices for anybody else. I live in New York and I know that New York producers sell at all kinds of prices. Some go to the retailer and sell wines higher than to the jobber. Those who sell direct to the consumer sell at prices 50 per cent higher than the ordinary trade prices. It would be impossible to have any sort of an understanding or combination for raising prices that would be a success.

Mr. CLARK. Doctor Wiley claims that certain wines should be branded artificial.

Mr. VANCE. I am not defending Doctor Wiley's rules or regulations.

Mr. CLARK. His proposition is that certain branding of California wine would make it pure, and branding any place else would make it artificial.

Mr. VANCE. I think you refer to the Fassett bill. The enforcement of the pure-food law should accomplish what we asked for in the Fassett bill.

AMERICAN WINE GROWERS' ASSOCIATION URGES INCREASED DUTIES ON WINES AND CHAMPAGNES, AND THE PROPER LABELING OF IMPORTED GOODS.

NEW YORK, *February 1, 1909.*

COMMITTEE ON WAYS AND MEANS,
House of Representatives, Washington, D. C.

GENTLEMEN: We beg to present, on behalf of the American grape and wine growing industry, an additional statement to the one made before your committee on November 12, 1908.

We do this for two reasons:

First, to set the record straight by correcting some of the false and misleading statements contained in the briefs filed by the foreign or importing wine and spirit trade interests.

Secondly, to further prove to your committee the absolute necessity of protecting an American farming and manufacturing industry against cheap foreign labor and output by having as the minimum tariff the present duty on such articles of luxury as foreign wines, champagnes, spirits, and other beverages, and thereby increase the amount of revenue.

The importing wine trade interests have submitted since the first hearing on this subject three long and elaborate briefs. Two briefs are presented in behalf of the Wine and Spirit Traders' Society of importers. The other brief is in the name of the Italian Chamber of Commerce, of New York. All three briefs are evidently the work of the same hand or hands. In fact, the very same statements are made in the very same language in two of the briefs. Thus the brief of the Wine and Spirit Traders' Society is repeated in full in the brief of the Italian Chamber of Commerce.

Again, this brief of the Italian Chamber of Commerce seems greatly marred by the animus displayed. Of course, this is entirely uncalled for and unnecessary.

We would point to such expressions used as these: "Spell-binding statements;" "California wine interests artfully exploit;" "veiled innuendos;" and "insinuate" and "insinuations;" etc.

The author of this unique document may have thought epithets pass for arguments. But it is usually the sign of having a bad case when the advocate of such a case begins "calling names."

The two briefs of the Wine and Spirit Traders' Society, dated December 10, 1908, and January 8, 1909, respectively, are signed

"by Francis E. Hamilton, their attorney." It is just such a paper as we might expect from an attorney who gets his information at second hand.

When Mr. Hamilton appeared before your committee on November 12 last he said, "I do not know anything about it (the wine business) except what information I have received from my clients."

Mr. Hamilton again confesses his ignorance when, in answer to a question of Mr. Underwood as to his experience in the wine business, he said that he had "absolutely none."

Although admitting his profound ignorance, Mr. Hamilton blandly assumes to instruct your committee on important and practical matters connected with the foreign and domestic wine business, of which he has little or no real knowledge. It is no wonder then that he makes so many mistakes and misleading statements. To such amazing assertions as that: "At no time during the past ten years have fine champagne grapes sold in France at less than \$300 per ton," we can reply—as did a well-known humorist—either Mr. Hamilton "is woefully misinformed or else he's an exception."

The lawyer-like briefs of the Wine and Spirit Traders' Society and of the Italian Chamber of Commerce are filled with mistakes and misstatements of fact. It is easy enough to make loose and misleading assertions. It is another and entirely different matter to prove them, and the importing wine trade interests have failed in this respect to make out their case. Therefore, to correct certain gross errors and to lay the actual facts before the Committee on Ways and Means the following is submitted:

PRESENT TARIFF NEEDED AGAINST CHEAP FOREIGN WINES.

At the initial hearing before your committee on November 12 last, in order to show the absolute necessity of maintaining the present rate of duty on foreign wines, we gave the exact prices at which those wines were being bought and sold in the open markets abroad. We simply stated the actual facts and figures. We showed that in different places in France and in Italy the prices of wines were from 8 to 10 cents per gallon. We supported our statement by quoting figures from reliable foreign trade journals, which must necessarily print the facts and the truth for their readers.

In order to break the force of such facts, the Wine and Spirit Traders' Society offer only the following explanation:

Mr. Lee J. Vance stated before the committee on November 12 that certain French wines were sold at 8 and 9 cents a gallon in the foreign market at auction. He evidently left it to be inferred by the committee that such low-priced wines were imported into this country. This is not the case, for the reason that they are new wines, incapable of importation.

In the first place, we did not state that these French wines were sold at "auction." In the second place, wines quoted at 8 or 9 cents a gallon were not "new wines."

In order that this matter may be perfectly plain and well understood, we quote from the French paper of September 30, 1908, the exact market report:

Sur le marché de Montpellier, les prix sont sans changement, les vins vieux se paient de 0 fr. 90 à 1 fr. le degré; les demandes en vins nouveaux sont rares.

[Translation.]

In the Montpellier market the prices are the same, the old wines being quoted from 90 centimes to 1 franc the degree; the demand for new wines are infrequent.

The foregoing facts and figures furnish a complete answer to the unsupported and misleading assertions put forth by the Wine and Spirit Traders' Society.

A more ingenious but equally erroneous statement on this subject is made in the memorial of the Italian Chamber of Commerce, as follows:

Quotations of wines of the grade required and shipped to this market are obtainable only through special application to the shipper.

According to this theory, the prices of Italian and other foreign wines are a profound secret, which is only disclosed upon "special application to the shippers." This is all nonsense. It is only necessary to pick up any foreign wine trade journal and there read the shippers' own price lists, which are openly and freely given for public information. In this way "the shippers" actually advertise for business and for foreign orders.

Let us illustrate the fact by giving an example. We have before us the published price list, in Italian, of a large firm of wine shippers at Genoa, Italy. We quote the following:

Fine wines for blending heavy color 14 to 15 degrees at 21.50 to 23.75 lire per 100 liters, or about \$4.30 to \$4.65 per 22 gallons.

The Italian Chamber of Commerce claims that "the wines which are shipped from foreign countries to the American market are the best grades." And yet, these "best grades" of foreign wines are comparatively very cheap at the place or country of production.

The very "best grades" of Italian wines which are shipped to this country come from what is called the Piedmont. They include such brands as the Barbera, Grignolino, Barolo, Nebiolo, etc.

A few months ago the *Giornale Vinicolo Italiano*, which is an authority for the Italian wine trade, published "the average price" of Piedmont wines for the past ten years. The figures from 1900 to 1908 are as follows:

Best grades of Italian wines.

Year.	Price in lire per hectoliter (22 gallons).	Equiva- lent in United States currency.	Year.	Price in lire per hectoliter (22 gallons).	Equiva- lent in United States currency.
1900.....	21.50	\$4.30	1904.....	28.00	\$5.40
1901.....	21.50	4.30	1905.....	29.50	5.90
1902.....	21.50	4.30	1906.....	32.50	6.30
1903.....	30.00	6.00	1907.....	18.50	3.70

A lira is about 20 cents, and a hectoliter 22 gallons; so that the prices have averaged from \$4.30 per 22 gallons in 1900 to \$3.70 per 22 gallons in 1907, or at the rate of 21 cents per gallon to 18 cents per gallon for the very "best grades" of Italian wines.

However, the truth of the matter is partially admitted in the memorial of the Italian Chamber of Commerce in the following statement:

Although it is true that there are cheap ordinary wines sold in Italy to-day at about 10 cents per gallon naked on the spot, it is also an indisputable fact that wines of this grade are not fit for shipment and are not shipped beyond the seas because of their low alcoholic strength and other reasons they could not stand transportation.

Is that so? Then, what is there to prevent blending these cheap wines worth 10 cents per gallon with better and higher-priced wines and shipping them abroad? Is not this done? Of course it is, and a number of importers know very well and could testify that the "cheap ordinary wines sold in Italy to-day at about 10 cents per gallon" are shipped out of Italy all right.

The brief of the Italian Chamber of Commerce is quite as interesting for what it omits to state as for what it does say. Under our present tariff the Italian wine dealers and importers have built up a large and profitable trade at the expense of American grape and wine growers. The Italian Government has favored and supported their wine trade in every way. Our Government should pursue the same policy. It is a well-known fact that the Italian Government has its official, paid agents located here in order to help the wine merchants of Italy and the Italian wine importers increase their trade in the United States. Why should we still further help them take away the trade and markets of our own producers and people?

That our present tariff suits the importers may be seen by the figures showing the enormous increase in the importation of Italian wines during the past six or seven years. According to the brief of the Italian Chamber of Commerce, "the reason is to be found in the gradual increase of Italian immigration."

Let us see about this. Taking their own figures of the importations and the immigration, we have the following table:

Year.	Italian immigration.	Imports of Italian wines.	
		Gallons.	Cases.
1901.....	135,996	251,934	97,150
1902.....	178,375	372,059	85,242
1903.....	230,622	689,626	112,946
1904.....	193,296	974,190	127,432
1905.....	221,479	1,077,594	153,137
1906.....	273,120	1,420,484	164,747
1907.....	285,731	1,860,227	198,785

The foregoing figures prove directly the opposite of the claims made by the Italian Chamber of Commerce. Thus, while the Italian immigration has increased from 135,996 in the year 1901 to 285,731 in the year 1907, the importations of Italian wines have increased from only 251,934 gallons and 97,150 cases in the year 1901 to the immense quantity of 1,860,227 gallons and 198,785 cases in the fiscal year of 1907.

These official figures need no further comment. They speak for themselves. They refute in a large measure the claims put forth by the importers.

Evidently the author of the brief for the Italian Chamber of Commerce felt that some further explanation was necessary, and so we find the following statement:

The Italians who have emigrated to the United States are not only consumers of the wines of their native country, but also of domestic and especially of California wines.

Then follow these figures, which, as they show a decrease of the arrivals of California wines by sea at the port of New York for the years when the reciprocity rate with Italy was in force, weaken the whole argument of the Italian importers:

Year.	Gallons.
California wines by sea:	
1901.....	3, 389, 845
1902.....	3, 407, 445
1903.....	3, 431, 390
1904.....	3, 641, 700
1905.....	2, 843, 550
1906.....	1, 887, 900
1907.....	1, 503, 700

That our present tariff suits the importers of "the best grades" of Italian wines may be seen by the statistics we presented at the hearing on November 12 last. Thus, in the month of October, 1908, the Italian dealers sent their wines 3,500 miles to New York and then 3,000 miles more to San Francisco, where over 2,000 cases were imported during that month, right in the center of the California wine trade.

HOW THE IMPORTERS JUGGLE WITH THE FACTS.

Another glaring example of the deceptive statements submitted to your committee by the importing trade interest may be noted. We refer to the alleged "present prices of foreign and American wines."

We challenge the correctness of the alleged present prices of American wines there quoted. The importers' brief does not state where the present prices given of certain foreign wines were obtained, but it does purport to submit prices of a few sweet wines of the Italian-Swiss colony and the California Wine Association as "of January 1, 1909."

We have now before us the printed trade or wholesale price list of California wines issued by the Italian-Swiss colony, dated January 1, 1909.

We fail to find in this trade list one single wine or one single price quoted the same as that given in the table submitted by the importers on page 6991. The plain conclusion is that the importers in their brief have deliberately sought to mislead the committee or else they have made a gross mistake.

Not content with juggling the figures, the brief of the importing wine trade interests makes the obviously unfair and absurd comparison of four of the cheapest California "sweet" wines with the high-priced Bordeaux "dry" wines, and with the Rhine and Moselle dry white wines.

We do not believe for a moment that your committee will be deceived by any such tactics. Almost any old conclusion could be "proved"

by such false comparisons. Even if the prices quoted were correct—and they are not—it is a poor attempt at deception to compare the prices of the cheapest native sweet wines with the more expensive Bordeaux and Rhine dry wines of an entirely different type or class.

In order to set the record straight, we will submit the correct trade prices of American wines of the same type as those quoted in the brief of the importing interests. For the sake of the argument we will admit that the prices of the foreign wines are given correctly by the importers, as follows:

Bordeaux wines.	Hogshead (per gal- lon).	Price (about) per gallon.
Montferrand.....	\$0.60	\$0.90
St. Loubes.....	.60	.96
Premiere.....	.60	1.00
St. Emilion.....	.60	1.40
Red wines, Clos de Maizieres.....	.60	1.96
Rhine wines and Moselle:		
Stuger.....	.60	1.65
Bodenheimer.....	.60	1.75
Cueser (Moselle).....	.60	1.85

We quote the following wines and prices from the official printed trade list issued by the Italian-Swiss colony, dated January 1, 1909:

California dry red wines.	Wholesale price per gallon, naked, f. o. b. San Francisco.
Carignan, standard.....	\$0.65
Carignan, extra.....	.75
Carignan, superior.....	.85
Cabernet, standard.....	.50
Cabernet, sauvignon extra.....	.75
Cabernet, sauvignon superior.....	.95
Borolo, standard.....	.80
Borolo, extra.....	1.05
Dry white wines:	
Riessling, extra.....	.50
Reissling, Auslese.....	.75
Reissling, Auslese, P. S.....	1.00
Sauterne, A.....	.70
Sauterne, superior.....	1.00
Haut Santerne.....	1.35
Sweet wines:	
Port, A. A.....	.40
Port, superior.....	.90
Port, P. S.....	1.10
Sherry, superior.....	.77½
Sherry, private stock.....	1.10
Muscatel, ex.....	.65
Muscatel, superior.....	.75
Angelica, A.....	.37½
Angelica, superior.....	.75

The price list states: All prices are f. o. b. San Francisco. Above prices do not include cooperage.

Therefore add 5½ cents to 6 cents per gallon for cooperage, and 7½ cents per gallon for freight, and 1 to 1½ cents per gallon for cartage and handling, making a total of 14 to 15 cents per gallon to the above prices, f. o. b. San Francisco.

It may be of interest to the committee to compare prices of other American dry and sweet wines. We submit the following prices from

the trade price list printed in the American Wine Press, of January 15, 1909:

Eastern white wines.		Wholesale price per gallon, in wood.
Delaware.....		\$1.25
Catawba.....		1.25
Red wines:		
Cynthiana.....		1 to 1.50
Norton's Va.....		1 to 1.50
Ives Seedling.....		1 to 1.50
Sweet wines:		
Port.....		2.00
Old Port.....		3.50
Sweet Catawba.....		1.25

From these figures it will be seen that all of the California and Eastern dry and sweet wines sell here at the winery for about the same prices as those quoted for foreign wines in the brief submitted by the importers. Under such conditions it must be plain that the present tariff duty is necessary to protect our American vineyards, capital, and labor from the still cheaper grades of foreign wines, which would be dumped into this country to the great detriment of our producers and the revenue.

On this point we quote the following report from the American Wine Press, of June 15, 1907:

The importations of cheap foreign wines into the United States are now being felt more and more by our domestic growers, especially by the wine makers of California. There is an enormous surplus of wine in Spain, Italy, and France. In fact, there is an overproduction, and this together with cheap land, cheap labor, and cheap freight rates allows foreign wines to be dumped into the cities of the Atlantic Coast States.

The report concluded by saying that—

When a new trade agreement is made, our officials in making concessions usually make them at the expense of our grape and wine interests. They seem to overlook the fact that thousands of farmers own vineyards, and that many thousands of people in several States depend on the grape and wine industry; that millions of dollars are invested in lands, in vines, in wine cellars, in buildings, and in personal property in their business. Therefore, when the question of the tariff or a new reciprocity treaty comes up again, the grape and wine growers of the United States want to instruct their representatives and officials to oppose any deal which is against their interests.

In conclusion, the desperate eagerness of the importing wine trade interests to still further open the American markets for their cheap wines becomes better understood when we take into account the great glut of wine in European cellars and hands now seeking an outlet. All of southern Europe is suffering at present from a deep depression in the wine industry, caused by the adulteration of the genuine product and overproduction and consequent low prices.

We need only refer to the great "wine strikes," which occurred in France in the summer of 1907. Big mass meetings of 100,000 and 150,000 people were held in the months of May and June, 1907, and although the French Government has endeavored to alleviate the situation, the French growers still find their cellars stocked with wines and no demand.

There is to-day a "wine crisis" in Italy. There has been an enormous wine production in Italy for the past few years, averaging about 1,250,000,000 gallons of wine per year. The Italian Government has appointed a commission to inquire into the situation, and all the Italian cultural societies are now trying to find a remedy for the present serious condition. The Government has reduced the tax on distillation by 40 per cent in the hope of getting rid of the surplus stock of wine in the form of alcohol for industrial purposes, etc.

A few weeks ago the Spanish growers rebelled against their distress, and the troops were called out. According to the Associated Press report, "the riots were put down at the point of the bayonet."

Such being the facts regarding the glut of wine in Europe, there is no possible reason why our tariff should be made so as to allow the foreign wine dealers to flood our markets with cheap wines, and thus bring damage and distress to the grape and wine growers of the United States.

HIGH TARIFF NEEDED ON FOREIGN CHAMPAGNES.

We may now consider the tariff duty to be imposed upon French or other foreign champagnes. We stand squarely by the facts and figures submitted on this subject at the hearing on November 12 last.

We call the attention of the committee to the following points:

First. That champagnes as a luxury should pay a high rate of duty and thus bring in the proper revenue.

Second. That under the reciprocity treaty with France the reduction from \$8 to \$6 per case on champagnes is simply "a present of \$2 per case" to the importers, as the price of champagne to the buyer has remained the same since the reduction; that, as some 335,000 cases of champagne were imported here in 1908, the importers benefited to the extent last year of some \$670,000; that as the importations of champagne were some 60,000 cases less in 1908 than in 1907, the revenue, instead of being increased, was actually reduced.

The answers of the Wine and Spirit Traders' Society on these points are rather vague and misleading. Some statements are made unsupported by a line of proof. Especially to correct such errors and to lay the facts before the committee we present some interesting evidence.

Probably for the purpose of showing that the cost of producing champagne in France is as high as it is in the United States, the following statement is made:

We have no knowledge as to the price of the domestic grape, but upon the authority of one of the largest champagne houses in France we are able to state positively that at no time during the past ten years have fine champagne grapes sold in France at less than \$300 per ton, and the price has often been as high as \$400.

If any such figures as \$300 and \$400 per ton were paid by French champagne houses for fine champagne grapes, it would have been in the fall of 1908, when the grape crop in the Champagne district of France was almost a total failure. There can be no question about the great disaster which ruined the vines in the Champagne district last year. It is a matter of public record. Thus, a correspondent in a French wine trade paper of September 30, 1908, wrote:

La situation en Champagne n'est pas améliorée; les vignerons souffrent des ravages que les maladies cryptogamiques ont fait dans tout le vignoble. Les

pertes évaluées se chiffrent par millions, et cet état de choses aura malheureusement répercussion dans le commerce.

[Translation.]

There is no improvement in the situation in Champagne; the growers are suffering from the damage done by cryptogamic blights in all of the vineyards. The losses are figured at millions of francs, and such a state of affairs will have a bad effect on the champagne trade.

Now as to the prices paid in the fall of 1908 for champagne grapes, a correspondent from the district reports as follows:

La vente des raisins s'est effectuée dans de bonnes conditions. Les prix se sont maintenus partout avec une bonne moyenne, soit de 0. fr. 50 à 0. fr. 55 le kilo. Les acheteurs allemands ont fait un chiffre d'affaires assez important.

[Translation.]

The sales of the grapes were effected under favorable conditions. The prices were always kept up to a good average everywhere, at from 50 to 55 centimes per kilo (that is, at from 10 to 11 cents per 2.2 pounds, or about \$110 to \$112 per ton). The German buyers ran up the prices to rather a high figure.

Now, this honest and correct report of the prices paid for champagne grapes in 1908, when the grape crop was the smallest in years, flatly contradicts the exaggerated figures quoted "upon the authority of one of the largest champagne houses in France." We leave it, of course, for the committee to decide as to which statement should be believed.

Again, if any such figures as \$300 or \$400 per ton were paid for fine champagne grapes then the growers in the Champagne district should be happy and contented and most prosperous. If they are not satisfied with their condition, something must be the matter. What is it?

As one French wine trade paper well puts it, "the situation in Champagne is really very strained between the growers and the wine merchants." (*La situation en Champagne est actuellement très tendue entre les vigneron et les commerçants champenois.*)

To show the extent of the grievances of the Champagne growers, we refer to the great mass meeting held at Ay, on September 13, 1908. At this meeting the damaging statement was made in a resolution which was unanimously passed and which, translated, reads as follows:

The wine growers of Champagne, assembled to the number of 12,000 in the schoolyard at Ay under the auspices of the Federation of Wine Growers' Association, having heard the explanations given by its president on the question of delimiting the champagne district, express their regret that the conseil d'état has not yet drawn up administrative regulations concerning his definition, which would have prevented the wholesale introduction of foreign wines, the principal cause of the present distress of the wine growers of Champagne. Having regard to the disaster which has destroyed the vintage of 1908, they trust that the limits of the champagne district will be defined as quickly as possible and in the narrowest sense, and request the authorities to grant the sufferers the largest possible compensation. They further hope that if possible the foreign wines introduced into Champagne in 1908 may fall under the new regulations.

Evidently there is something "rotten in Denmark"—or in Champagne. It must be a very bad state of affairs when 12,000 grape

growers assemble at Ay and publicly accuse the wine dealers of their district of sharp practices. It is a complete answer to some of the misleading statements in the brief of the Wine and Spirit Traders' Society.

Soon after the great meeting at Ay, Doctor Pozzi, a deputy in the French Parliament, repeated the charges against the syndicate of Champagne merchants. He alleged, among other things, that the members of the syndicate had "combined" to fix the prices which they would pay for the grapes, and that immense quantities of cheap wines were brought from other provinces into the Champagne district, mixed with the higher-priced local wines, then bottled and sold as real "champagne."

It is interesting to quote the following from the brief submitted by the Wine and Spirit Traders' Society:

Champagne should apply and be permitted to apply only to the wines grown and bottled in the Champagne district in France.

The trouble is, as we have seen, that a great deal of the stuff called and labeled "champagne," is not composed wholly of wines "grown" in the Champagne district in France at all. These so-called champagnes are only "bottled" in the Champagne district.

This condition of things is well known in the French and foreign wine trade, but is not so well known or understood in the United States. Thus, it is an admitted fact that certain French and other wines "grown" outside of the Champagne district are sold to the makers of champagne at about 40 cents per gallon and are utilized in the cuvée of French champagnes, which factor counterbalances the rather high cost of champagne grapes.

On this point we would quote from Ridley's Wine and Spirit Circular of London, England, established in 1848, and the authority in the foreign wine trade. The following statement is from Ridley's Circular of October, 1908:

Those wines which have been imported into Champagne have not always been even of French origin. That alien wines have been brought into the district admits of no possible denial, and it is difficult to see how its importation can be prevented, etc.

In the same article the editor of "Ridley's" refers to the bitter feeling of the

Champagne growers in regard to the blending which goes on in many instances in the manufacture of cheap wines, and their natural indignation at the name of their province being applied to an article which it does not produce.

LOW COST AND PRICE OF FRENCH CHAMPAGNE.

The Wine and Spirit Traders' Society in its brief tries very naturally to create an impression as to the immense cost of French champagne. Thus we find the following statement:

The cost of the champagne grape land, often running up to \$2,500 per acre, the care of the vines, the cost of the grape, the bottling and long ripening of the wine, all combine to render the business one requiring large investment and to make the product expensive.

Of course, it is somewhat more expensive to obtain a "sparkling" wine, or champagne, which is fermented in the bottle, than it is to produce a "still" wine. The actual cost of producing a case of French

champagne is very moderate. It is less than it is in this country. Thus, we have it upon the authority of a French wine maker, who worked and lived for many years in the Champagne district of France, that the cost of champagne is around \$4 to \$4.50 per case.

The items going to make up the cost of a case of champagne of 12 bottles are: Two and one-half gallons of wine at \$1 to \$1.20 per gallon, \$2.20 to \$2.45; labor and handling, 85 cents; corks, 60 cents; caps, labels, covers, and box, 32 cents; total, \$4.22.

That \$4 to \$4.50 may not be very far from the actual cost of a case of French champagne can be seen from the printed price lists of the French champagne makers. These prices, which are quoted in French wine trade journals, range from 2 francs to 50 centimes per bottle, being 50 cents per bottle, or \$6 per case, to 8 francs per bottle, being \$1.55 per bottle, or \$18.60 per case. The champagne houses figure, of course, to make from 50 to 250 per cent profit on the cost of their wines.

It may be of interest to the committee to know the prices of French champagnes at which they are quoted to the wine trade. We submit advertised prices, of January, 1909, of some of the different kinds:

Brands.	Price in francs per case.	Equivalent in United States currency (about).
Champion et Cie.: Cuvée Spéciale	30	\$6.00
Carte verte	42	8.40
Léon Chandon: Mousseux demi sec	39	7.80
Heidsieck et Cie.: Monopole	56	11.20
Mercier et Cie.: Carte argent	36	7.20
Moët et Chandon: Champagne Mousseux	60	12.00
Brut Imperial	102	20.40
G. H. Mumm et Cie.: Extra Dry	96	19.20
Carte Blanche	90	18.00
Pierrier-Jouet et Cie.: Carte Blanche	72	14.40
Pommery et Greno: Carte Blanche	90	18.00
Cachet Sec	114	22.80
Louis Roederer: Grand Imp. Sec	102	22.40
Extra Dry	102	22.40
Ruinart père: Carte Blanche	60	12.00
Extra Quality	96	19.20

Thus taking the cost of French champagne at \$4 to \$4.50 per case, and adding the \$6 per case tariff duty and \$1 per case for freight and other charges, you have \$11 to \$11.50, which is about the price at which American champagne is sold here.

The wholesale or importers' price of French champagne to dealers in the United States is from \$30 to \$32 per case. The French champagne makers usually get from \$18 to \$20 per case from the importers, who thus have a margin of from \$10 to \$12 per case. The latter expect to expend from \$2 to \$3 or more per case in what is called "promotion and publicity." The difference of \$5 to \$7 per case is the importers' profit, which amounts to a large sum, as when,

for example, a dealer imports 30,000, 40,000, and even 100,000 cases of champagne per year.

In our statement before the committee we brought out the point that the recent reciprocity treaty with France which reduced the duty on champagne from \$8 to \$6 per case simply made the importers a present of \$2 per case.

The importers in their brief object to this way of putting the matter and state that if we had "read the price lists of the importers of champagne issued after the signing of the reciprocal agreement referred to" we would have found that they reduced the price of champagne \$2 per case.

Now, we have read the price lists of the importers of champagne issued before and after the signing of the reciprocal agreement with France, and we find little or no changes of any account in the prices of French champagne. The following price lists are quoted from Bonfort's Wine and Spirit Circular, the organ of the New York importing interests, of date December 10, 1907, and of December 10, 1908:

Brands of champagne.	Before reciprocity, price per case.	After reciprocity, price per case.
Monopole.....	\$30.50	\$32.25
Louis Roederer.....	33.00	33.00
Pommery.....	33.75	33.75
Mumm & Co.....	35.00	29.50
Moët & Chandon.....	30.50	32.50
Clicquot.....	32.25	30.50
Ruinart.....	34.00	34.00

These printed price lists do not show many reductions of \$2 per case on champagne. In fact, the price has been raised in some cases. If, as alleged, the importers reduced their price after the reciprocal agreement, it will be news to most of the buyers of champagne.

This fact was at once noticed by a member of the committee at the hearing on November 12, as follows:

MR. BOUTELL. In other words, you have given an illustration of a straight reduction of 25 per cent in the tariff where the consumer gets no benefit whatever?

MR. VANCE. Yes; and that is the absurdity of Mr. Hamilton's proposition. I have never yet seen anyone or heard of anyone getting a benefit of that reduction except the importers, and I do not think anybody else has.

More than that, the reduction of \$2 per case, or 25 per cent on champagne, instead of being a benefit to the revenue, has up to the present time been a loss. The importations of champagne into the United States in the year 1908 were some 55,000 to 60,000 cases less than in 1907, and at \$2 per case the revenue was decreased from \$110,000 to \$120,000.

The brief of the Wine and Spirit Society makes this further misleading statement: "No American product is entitled to be called a 'champagne' under the rules and regulations of the foods and drugs act." This would be very interesting if it were true. But it is not true. The rules and regulations of the foods and drugs act do not state that "no American product is entitled to be called 'champagne.'" The pure-food board has made no ruling on the subject.

For many years the French wine makers and their agents, the importers, have tried to monopolize the word "champagne." They have not yet succeeded and they never will succeed.

The word "champagne" was originally applied to all wines, both still and sparkling, produced in the old province of Champagne. Later on the word was applied to all wines made sparkling by a process of fermentation in the bottle. And now by long usage and custom the term "champagne" has come to mean simply a certain kind or "type" of sparkling wine, no matter where made; so that we have different kinds of champagne—as German champagne, Italian champagne, American champagne, etc. We are now making champagne in the United States which in purity and quality is equal in every way to the imported article.

If the provisions of the French law against fraud of August, 1905, amended in 1907, were enforced, much of the French product would not be entitled to be called a "champagne," nor would it be labeled "champagne" under our own pure-food laws. This applies not only to the so-called "champagne," which is a mixture of wines from many different places, but to the "imitation champagne," which is rendered sparkling by being artificially charged with carbonic gas.

THE PROPER LABELING OF FOREIGN SPIRITS.

In this connection we would again call the attention of the committee to the labeling of foreign spirits.

The answer of the Wine and Spirit Traders' Society is that "All imported whiskies are now labeled in exact accord with the foods and drugs act, a number of seizures for failure so to do having been made."

Then follows the assertion that: "This statement will be fully verified by the department of chemistry."

On the contrary, this important matter is not yet settled. As soon as the pure-food officials seized certain foreign spirits, alleged to be adulterated or misbranded, the shippers and importers rushed to invoke the aid of the British ambassador, who did so on the strength of the early commercial treaties with Great Britain, which contained a general provision that goods of English origin should be treated on equal terms in the ports of the United States with goods of American manufacture.

The result was the importers had their goods released, although it is held that they do not conform with the requirements of United States pure-food laws. In other words, goods are labeled "whisky," when they should be labeled "blend," or "compound," or "imitation."

This is how the matter stands at the present time. Ridley's Wine and Spirit Circular of January 9, 1909, says:

Just as soon as the British embassy feels it no longer has any rights to protest against the enforcement of the rules and regulations of the bureau of chemistry, the head of that bureau will put into active operation all the stringent requirements of the same.

If, as alleged, the Treasury Department can not prescribe the marking of bottled foreign goods as "compound" or as "imitation," but only rectifiers and distillers' packages of five gallons or over, the matter should be covered in the new tariff bill and in all future commercial treaties.

The brief of the Italian chamber of commerce concludes with a short temperance sermon. It is urged that the drinking of wines should be encouraged; that it is conducive to temperance; and that, therefore, the tariff should be arranged so as to suit the importers of wines.

We do not think that your committee will take much stock in any such argument. Why should an American tariff favor the importation of Italian or other foreign wines at the expense of the trade in American wines? Every country, even Italy, arranges its tariff or customs duties for the benefit and protection of its own capital, labor, and industries, and this committee should do the same thing when it comes to our grape and wine growing industry, which always has been and always should be fostered and encouraged.

According to an old Italian proverb, "It is better to give the wool than the sheep." (*Meglio è dar la lana che la pecora.*)

The Italian importers want us to give them the "sheep." We have already given them the "wool" in the shape of a very liberal tariff on their wines and other products. Under the present tariff, according to their own showing and testimony, the importations of Italian wines have increased enormously during the past six or eight years. And yet the importers still cry for more concessions.

Our conclusion therefore is that the present tariff duties on wines and spirits be maintained as the minimum rate; that the old rate of \$8 per case on champagne be restored; that the Treasury Department be given proper authority to prescribe the marking of foreign spirits in bottles or in packages; and that the bottles and packages containing wines, spirits, cordials, and other beverages, if marked, stamped, or decorated with any name, design, or trade-mark, be dutiable in addition to the contents, 60 per cent ad valorem, the same as provided in paragraph 100 of the present tariff law.

AMERICAN WINE GROWERS' ASSOCIATION,
By LEE J. VANCE, *Secretary*.

DUBONNET.

[Paragraph 296.]

**J. B. MARTIN, NEW YORK CITY, WISHES THIS TONIC WINE
LISTED WITH VERMUTH, WHICH IT RESEMBLES.**

NEW YORK CITY, *December 20, 1908.*

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: As the sole importer of a tonic wine known as "Dubonnet," which has within the past ten years made for itself a place in the good opinion of the American people, I respectfully request that in the revised tariff this tonic wine be listed under paragraph 296 with vermouth, which it most resembles.

It has always been so classified by the customs authorities, and I quote with pleasure the decision rendered by the Board of General Appraisers upon this matter some years since:

In the matter of the protest 2227-F/20711, of J. B. Martin against the decision of the collector of customs at New York as to the rate and amount of duties chargeable upon certain merchandise imported per *Panama*, entered October 29, 1895.

BEFORE THE UNITED STATES GENERAL APPRAISERS AT NEW YORK, APRIL 9, 1896.

Opinion by Wilkinson, G. A.

The merchandise is a beverage labeled "Quinquina Dubonnet." It has the constituents of vermouth ordinarily dealt in in this country, and we find upon the evidence that it is one variety of a class of wines known in trade as vermouths.

It was assessed for duty as a medicinal proprietary preparation and is claimed to be dutiable at \$1.60 per case under paragraph 244 of the act of August 28, 1894.

We find that it is not a medicinal proprietary preparation, and under our first finding the protest is sustained.

Price, 27 francs a case of 12/1 bottles containing 3 gallons.

W. G. LUNT.

J. B. WILKINSON.

T. S. SHARRETT.

Dubonnet is made in France and is extensively used there as a tonic beverage, similar to vermouth. It can be mixed with other beverages and made into a cocktail, or taken alone. It has for its base a light muscatel wine and its alcoholic strength is very nearly the same as vermouth. Dubonnet is sold only in bars, restaurants, hotels, and cafés, and never in a drug store, nor is it ever prescribed by a physician.

In order that there may be no further or other question as to the said dubonnet, it having always been classed as a still wine of the vermouth family by the customs authorities, I now respectfully request that it should be named in the class with vermouth under paragraph 296.

J. B. MARTIN.

F. E. HAMILTON,

Counsel, 32 Broadway, New York.

STOUT AND GINGER ALE.

[Paragraphs 297 and 300.]

STATEMENT OF C. H. KING, 1402 TIMES BUILDING, NEW YORK CITY, RELATIVE TO STOUT AND GINGER ALE.

SATURDAY, November 12, 1908.

The CHAIRMAN. Please state your residence and your business.

Mr. KING. My residence is New York, and my business is the importation of Dublin stout and Belfast ginger ale—Irish ginger ale.

The CHAIRMAN. You may proceed.

Mr. KING. I submitted a brief, Mr. Chairman, and what I want to call your particular attention to is the apparent inequality in the duty in the present tariff in the liquor schedules. This stout is a low-priced tonic beverage which is used, as is stated in my brief, by people of small and very moderate means, and according to the present schedules the percentage of duty on it is higher than it is on champagne and on still wines, which are both distinctly luxuries.

Mr. DALZELL. What is the rate of duty?

Mr. KING. It is a specific rate of 40 cents a gallon, and according to the value as reported by Commerce and Navigation of the United States it is equivalent to 42½ per cent on the importations from the United Kingdom, whereas the duty on champagne is equivalent to

about 40 per cent, and the duty on still wines in bottles is equivalent to about 30 per cent. So, we think, in view of the class of people that this article is sold to or consumed by, that the present rate of duty in comparison with the duties on other beverages is excessive.

The CHAIRMAN. You think the duty on champagne ought to be increased?

Mr. KING. I am not interested in champagnes, sir.

Mr. BOUTELL. Do you think the reduction which you ask on these articles would make any difference in the cost of them to the consumer?

Mr. KING. Stout is an article that is consumed largely in the homes, and it surely would. It would not make any difference if it was consumed so much in the cafés, or where it is sold by the single bottle, but where it is sold as it is and taken to the homes it would make a difference.

The CHAIRMAN. Do you not think that the duty of 30 per cent is low enough on still wines?

Mr. KING. I am not interested in still wines. The other article in which I am interested is ginger ale. That is a nonalcoholic beverage, and the duty in the present tariff is higher than it was in the previous tariffs, and the rate, while specific, is equivalent to $24\frac{1}{7}$ per cent, nearly as high as that on still wines. Any rate of duty would make no difference in regard to the American competition, because the article is so expensive that it costs more on the other side than the American article is sold for here. I have embodied all that in the brief that I submitted. If there are any questions that the committee would like to ask me, I would be very glad to answer them.

Mr. BOUTELL. Is there more than one maker of this ginger ale?

Mr. KING. There are several manufacturers. We are the largest importers. We import about 85 per cent of the ginger ale that is imported into this country.

Mr. UNDERWOOD. The cost of the foreign article abroad is more than that of the domestic article here?

Mr. KING. Yes; due to the fact that it has to be packed in barrels; and the bottle is not returnable, as is the case in most of the domestic ginger ale.

Mr. UNDERWOOD. Then if it was sold free of duty it could not be sold cheaper than the domestic article?

Mr. KING. No, sir; it could not. Another point I would like to call your attention to is the fact that the barrels that we ship our goods in are largely made of American lumber, and yet we pay the duty. The percentage which I have figured is based on the cost of the whole thing, the barrel included.

Mr. DALZELL. What would be the amount of this ale?

Mr. KING. In volume?

Mr. DALZELL. Yes.

Mr. KING. We import about a million gallons.

Mr. HILL. Of ginger ale how much?

Mr. KING. Forty thousand barrels, 10 dozen each.

Mr. HILL. It is purely a question, then, of revenue, and increase in the foreign trade and reduction of the price?

Mr. KING. Yes.

Mr. HILL. And any loss of revenue by a decrease in the tariff would be probably made up by the increase in the quantity imported?

Mr. KING. Yes, sir.

Mr. HILL. There is no question of American competition entering into it?

Mr. KING. None whatever, in either article.

Mr. BOUTELL. You think a reduction in the duty would increase the revenue somewhat?

Mr. KING. Our business is increasing under the present conditions, so that I think it would be safe to say that it would. The business is increasing in both articles. Will that be all, gentlemen?

BRIEF PRESENTED BY C. H. KING FOR EDWARD AND JOHN BURKE RELATIVE TO STOUT AND GINGER ALE.

1402 TIMES BUILDING, NEW YORK, N. Y.,

Thursday, November 12, 1908.

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: Evidence herewith shows stout to be an article largely used for tonic purposes by those in moderate circumstances. See physicians' statements appended.

According to 1907 edition of Commerce and Navigation of the United States, the percentage of duty on stout is larger than that on champagnes and bottled still wines, distinctly luxuries. Comparisons herewith:

	Gallons.	Value.	Duty is per cent of value.
Bottled malt liquors from United Kingdom.....	1,897,243	\$1,793,632	42½
Champagnes (dozen).....	375,272	5,562,695	40½
Still wines in bottles.....	636,988	2,614,346	30½

Internal-revenue tax on malt liquors is 3½ cents per gallon.

Stout, per dozen half bottles, costs us 4 shillings and 2 pence, f. o. b. Liverpool.

Stout owes much of its character and nutritive value to long keeping before and after bottling. Owing to fermentation continuing after bottling, breakage and leakage are more serious than with bottled still wines; and stout being an article of so much less value, these losses are a much heavier tax.

Much of the barrel lumber used is American.

Physicians in New York, Brooklyn, Boston, and Chicago state that their maternity patients, mothers while nursing, people in none too healthful occupations, anemics, young girls, particularly shop girls, are those for whom they prescribe Guinness stout, and of those requiring Guinness stout, as above, the vast majority are in poor financial circumstances.

Only a very few physicians are opposed to the use of a tonic containing alcohol. Stout contains very little.

The following are a few of those referred to above and some of their comments. We have hundreds of other equally strong recommendations.

Dr. Merwyn R. Bibb, 2900 State street, Chicago, Ill.: I feel positive that Guinness foreign stout could find no better and more needed field than in maternity cases.

Dr. William A. Ham, 1799 Dorchester avenue, Dorchester, Mass. Strongly recommends it.

Dr. Jas. H. Grimes, Boston, Mass. Recommends it.

Dr. Edward S. Peck, 53 West Fiftieth street, New York City: I do not hesitate to state to you that Guinness stout is a very excellent prop and tonic, and has been prescribed by me hundreds of times.

Dr. G. H. Wynkoop, 128 Madison avenue, New York City. Recommends it.

Dr. A. L. Robinson, 59 West Forty-fourth street, New York City. Recommends it.

Dr. W. E. Cuff, 115 East Eighty-seventh street, New York City. Recommends it.

Dr. H. F. Koester, 1159 Park avenue, New York City. Recommends it.

Dr. H. H. Schimpf, 443 West Thirty-fourth street, New York City: I prescribe it frequently.

Dr. A. C. Dupont, 310 West Twenty-third street, New York City. Recommends it.

Dr. A. H. Roff, 327 Central Park west, New York City: All my nursing women drink it if they can afford to do so.

Dr. J. A. Shields, Brooklyn, N. Y. Recommends it.

Dr. H. E. Lewis, Brooklyn, N. Y.: I use Guinness stout for all my patients in convalescence and as a general tonic.

Dr. J. F. Power, 230 West Thirty-fourth street, New York City. Recommends it.

Dr. A. Costello, Brooklyn, N. Y.: I prescribe it constantly for maternity patients, also in typhoid fever convalescence.

Dr. C. C. Cramer, 139 West Twenty-eighth street, New York City. Strongly recommends it.

Dr. W. G. Eckstein, 68 West Ninety-seventh street, New York City. Recommends it.

Dr. E. M. Dusseldorf, Brooklyn, N. Y. Recommends it.

Dr J. W. Gibbs, Hotel Navarre, Seventh avenue and Thirty-eighth street, New York City. Recommends it.

Dr. G. Chaffe, Brooklyn, N. Y. Recommends it.

Dr. P. F. O'Hanlon, 121 West Ninety-fifth street, New York City. Recommends it.

Dr. C. Connard, 192 West Eighty-ninth street, New York City. Recommends it.

Dr. N. G. Le Grand, Brooklyn, N. Y. Recommends it.

Dr. R. S. York, Boston, Mass. Recommends it.

Dr. T. H. Northridge, Brooklyn, N. Y.: It is also prescribed by me to increase body weight in those below the average. Perhaps those who perform arduous household duties require it most often.

Dr. S. A. Moulton, Boston, Mass. Recommends it.

Dr. A. Kidder Page, Boston, Mass. Recommends it.

Dr. Rupert W. Parker, 1641 Washington street, Boston, Mass. Recommends it.

Dr. J. J. Pendergast, Brooklyn, N. Y. Recommends it.

Dr. J. A. Winter, Brooklyn, N. Y. Recommends it.

Dr. C. S. May, 205 West Fifty-ninth street, New York City. Recommends it.

Dr. C. J. Laffin, 1545 Madison avenue, New York City. Recommends it.

Dr. E. J. Lorenze, 1658 Lexington avenue, New York City: Recommends it.

Dr. J. Lordly, 145 West Eighty-seventh street, New York City: Mothers that are poorly nourished require a stimulant like Guinness stout.

Dr. George D. Barney, 401 Third street, Brooklyn, N. Y.: For the benefit of the public I recommend Guinness stout in cases of malnutrition.

Dr. Howard O. Comegys, 170 East Ninety-sixth street, New York City: Stout fills the bill and requirements.

Dr. J. Mount Bleyer, 836 Lexington avenue, New York City: For the last twenty years I have prescribed this great reconstruction to all consumptives, who make up the bulk of my practice. There is no better remedy for reconstruction than Guinness stout.

Dr. L. H. Lutz, Brooklyn, N. Y.: I prescribe stout for patients who need building up flesh. I order it often.

Dr. F. J. Bowles, 121 West Ninety-third street, New York city: Among malt preparations I certainly regard Guinness stout with the greatest favor.

Dr. C. S. Begg, 58 Irving place, New York City: Those in poor circumstances are rarely able to afford Guinness stout.

Dr. B. M. Richardson, Brooklyn, N. Y.: I have used Guinness stout for many years with excellent results.

Dr. R. S. Moore, 2 West Ninety-fifth street, New York City: It is both food and drink.

Dr. Julia H. Smith, 491 Dearhorn street, Chicago, Ill.: Stout seems more like nourishment.

Dr. J. R. Phelps, Dorchester, Mass.: I prescribe it without limit, when patients can afford it, for any case. It is a splendid producer of rich and nourishing milk.

Dr. Albert Evans, 756 Tremont street, Boston, Mass.: Guinness stout has proved an efficient stimulant to many of my patients.

Doctor Gordon, 532 Tremont street, Boston, Mass.: The writer has prescribed a great deal of Guinness stout for patients where a stimulant and reconstructive has been indicated.

Dr. R. Weir, 168 West Seventy-eighth street, New York City. Recommends it.

Dr. F. W. Page, Boston, Mass. Recommends it.

Dr. C. E. Buck, West Brookline, Mass. Recommends it.

Dr. B. S. Blanchard, Brookline, Mass. Recommends it.

Dr. Winfred L. Howe, Everett, Mass.: I prescribe Guinness stout to every patient that needs a tonic, old or young. It has no superior in convalescence.

Dr. J. P. Bennett, Chicago, Ill. Strongly recommends it.

Dr. W. F. Gay, 365 Massachusetts avenue, Boston, Mass. Recommends it.

Dr. J. H. Van Kleeck, Brooklyn, N. Y. Recommends it.

Dr. N. G. McMaster, 665 Lexington avenue, New York City. Recommends it.

Dr. A. Zek, 243 West Fifty-second street, New York City. Recommends it.

Dr. Ivan Amesbury, Dorchester, Mass.: Those who require it most are generally those least able to get it. It increases appetite and is a more natural way of helping nutrition than by giving drugs.

Dr. W. H. Krause, 952 Park avenue, New York City: I prescribe Guinness stout to give the patient an appetite, also as a stimulant for overworked people and convalescents.

Dr. E. P. Colby, Boston, Mass.: When I advise stout I never think of anything but Guinness, which is (to me) the type.

Dr. J. Morison, 358 West Thirtieth street, New York City: Good plain food and Guinness to back it up, an excellent ally.

Dr. N. B. Vander Poel, 106 East Twenty-fourth street, New York City. Recommends Guinness stout.

Dr. G. E. Stackpole, 282 Ferny street, Malden, Mass.: When I need a tonic for myself I always get Guinness stout and nothing else but good food, so I am very glad there is a tonic Guinness stout.

Dr. F. W. O'Brien, 257 West One hundred and fourth street, New York City: Particularly young girls, salesladies, and seamstresses, who just manage to eke out a bare subsistence.

Dr. W. T. Helmuth, jr., 26 East Sixty-second street, New York City. Recommends Guinness stout.

Dr. H. Siff, 160 Madison avenue, New York City: Too much of a luxury for poor, the price being too high.

Dr. E. Gilbert Percival, Hotel Navarre, 455 Columbus avenue, Boston, Mass.: It is more of a food than a stimulant to my mind.

Dr. J. A. S. Howell, Chicago, Ill.: I would prescribe it oftener if it were cheaper. Hope you succeed in getting the tariff reduced.

Dr. J. J. Ashley, Brooklyn, N. Y.: Many would use stout in place of beer if they could afford it.

Dr. C. W. Brunner, Brooklyn, N. Y.: It is my humble opinion, born of personal experience as a physician, that Guinness stout is far superior to any so-called malt extract on the market, whether domestic or imported, in digestive and blood-making properties.

Dr. H. E. Street, Brooklyn, N. Y.: I would oftener prescribe it if it was not so expensive. I usually substitute a dark beer, which is not so good as your stout, but is within the means of the poor patient.

Dr. M. T. Goldstine, Chicago, Ill.: Saw the goodness of stout in maternity patients while assistant on the staff of Rotunda Hospital, Dublin, and used it a great deal.

Dr. R. H. Von Kotsch, 935 West Sixty-third street, Chicago, Ill.: After taking Guinness stout for a week their appetite soon begins to increase, and they pick up in flesh.

German Hospital, Brooklyn, N. Y.: It has been prescribed and dispensed with good results.

Dr. G. J. Schaller, 518 Fullerton avenue, Chicago, Ill.: To all my pulmonary and chronic dyspeptics I recommend one part of stout to two to three parts of Blatz's beer after each or with meals.

Dr. W. B. Guy, Boston, Mass.: Very poor patients substitute cheap ales, like stock ale, instead.

Dr. C. J. Hettesheimer, Brooklyn, N. Y.: The worth of Guinness stout as a nutrient builder for nursing mothers and convalescents in general is inestimable. I shall keep on prescribing it, as usual, with confidence.

Dr. T. H. Hull, Brooklyn, N. Y.: Poor could not afford it.

Dr. George L. Michel, 234 Marcy avenue, Brooklyn, N. Y.: In cases of poor nourishment it is the best tonic I know of. I get best results from it in cases of pathologist conditions of the pelvic organs, due to defective nutrition of these parts, as in poorly nourished girls, shop girls being especially subject to those conditions, and here nothing takes the place of Guinness stout.

Dr. L. Newman, 52 Union Park, Boston, Mass.: I prescribe Guinness stout very frequently and use it in my own family as a Galatella-gog with success.

T. G. Lusk, 121 East Fortieth street, New York City: It would be a great thing if you could get this article admitted free, as it is seldom used as a beverage and it could then be supplied at a price within reach of all.

Dr. A. J. Dower, Brooklyn, N. Y.: I find your stout aids digestion, which is far superior than the majority of wines found in the market.

Ginger ale.

Nonalcoholic—present duty higher than rated by previous tariffs.

Commerce and Navigation of the United States for 1907 show present rate equivalent to 24½ per cent, nearly as high as bottled still wines.

At any rate of duty imported ginger ale is so costly that it does not compete with the domestic article.

STATEMENT OF JOHN J. ROONEY, NEW YORK, FOR H. P. FINLAY & CO., RELATIVE TO BASS ALE AND STOUT.

THURSDAY, November 12, 1908.

Mr. ROONEY. I represent substantially the same interests that Mr. King represents and I have the same general line of argument. His firm, as I understand, represent the Burton stout in Dublin. I represent the Dogshead Bass ale, and the Bass bottling of stout. The present rate, as he has explained, is 40 cents a gallon in bottles on the bottled article that comes here. All the Dogshead ale comes here in bottles. There is some Bass ale that comes in casks. The ad valorem duty, as he pointed out, is 43 per cent. In the case of the Dogshead ale—which I think some of you gentlemen are probably familiar with, as it is very generally used throughout the country—the price is very high. The retail price at that rate runs from 25 to 35 cents a bottle at any restaurant. That is too high. The Dogshead ale people have a large trade, due to the fact that it is Bass ale and to their able business management and the prestige of the name; but at the same time if we could get a duty of 25 cents a gallon we could double the business here. Now, it would be a noncontentious matter; that is, as pointed out by the previous speaker and as suggested by a member of the committee, it does not interfere in the slightest with the American industry. You will never hear that question raised. But it will reduce the cost to the consumer.

Mr. HILL. Do you control the importation into this country?

Mr. ROONEY. Yes, sir; of that particular bottling known as the Dogshead ale. The Bass ale comes here in bulk, not controlled by

this firm I am representing, H. P. Finlay & Co., of New York; but with the reduction of the duty to 25 cents a gallon, the bottled article, Dogshead ale, Bass ale, would sell for 15 or 20 cents instead of 25 to 35 cents. I am speaking of the retail price. In the past the duty has been down as low as 30 cents a gallon. That was under the tariff of 1894, and in the tariff of 1883, preceding the McKinley bill, so called, the duty was 35 cents a gallon. Then it was put up to 40 cents a gallon, and it is really at a very onerous figure there.

Mr. HILL. Were you in the business when the duty was changed before?

Mr. ROONEY. I was not, personally.

Mr. HILL. Do you know whether the price to the consumer was increased in accordance with the change or not?

Mr. ROONEY. I could not say absolutely; I could not answer that absolutely. It is beyond my own experience, my personal knowledge; but I am satisfied of this, that with a reduction to 25 cents a gallon on bottled ale there would be a reduction in the price, a material reduction; and you can readily see that when you ask 25 cents or 35 cents for a bottle of ale you are asking a great deal, and you actually reduce considerably the consumption of that article.

Mr. McCALL. Dogshead ale is the same kind of ale as White Label, and is put in the same kind of bottles?

Mr. ROONEY. It is the same kind of ale except that the Dogshead ale is bottled in London by Read Brothers, and the White Label is bottled by another concern.

Mr. McCALL. They are both bottled in London?

Mr. ROONEY. No; I think the White Label is bottled here.

Mr. DALZELL. Then there is a Red Label, is there not?

Mr. ROONEY. I think there is a Red Label also. There is no monopoly in the Bass ales at all, but they all sell at about the same to the consumer.

Mr. DALZELL. This duty you are talking about is applicable to all the Bass ales?

Mr. ROONEY. Oh, yes. On the Dogshead ale last year the firm which I represent paid in duties \$275,000. That was just last year; and I can fairly say that if you will give us a duty of about 25 cents a gallon on the ale in bottles it will go up to \$500,000, and without the slightest disturbance to anybody here, to any legitimate interests of any kind; and I would respectfully request that you give that consideration. An ale, I think, is something which, as the previous speaker said, comes into general use and ought to be encouraged somewhat. It is not injuring anybody here in the way of competition with domestic products, and it will greatly increase the revenue, if you will give us this slight relief, because you can see that at that figure, 25 cents or 35 cents, or even 30 cents a bottle, it will make some difference. Take any one of yourselves. If you can get a bottle of ale for 25 cents, or 20 cents, you are more likely to buy it.

Mr. HILL. I will ask you to file a statement as to the price at which your firm sold this article in 1890, in 1895, and in 1900.

Mr. ROONEY. I will do that.

**H. P. FINLAY & CO., NEW YORK CITY, FILE BRIEF ASKING FOR
NEW CLASSIFICATION FOR BASS ALE.**

35 SOUTH WILLIAM STREET,
New York City, November 12, 1908.

COMMITTEE ON WAYS AND MEANS.

Washington, D. C.

GENTLEMEN: Your petitioner is the agent for the brand of bottled Bass ale, known commonly as "Dogshead ale," having sole right to sales in the United States.

The present rate of duty on said ales in bottles, under the tariff of 1897, is 40 cents per gallon, under paragraph 297 of the existing so-called Dingley bill. The rate of duty on Bass ale in casks under the existing tariff is 20 cents a gallon.

Previous tariff rates were as follows: Tariff for 1883—bottles, 35 cents per gallon; casks, 20 cents per gallon; tariff for 1890—bottles, 40 cents per gallon; casks, 20 cents per gallon; tariff for 1894—bottles, 30 cents per gallon; casks, 15 cents per gallon.

Your petitioner respectfully requests that a rate be now fixed at 25 cents per gallon for bottles and 15 cents per gallon for casks, for the following reasons:

(1) The business does not compete materially with any domestic industry, the amount of Dogshead Bass ale and other forms of Bass ale being very small in proportion to domestic beers and ale.

(2) The present rate of 40 cents per gallon for bottled figures an ad valorem equivalent of about 45 per cent. This rate compels a very high price per bottle to the consumer, ranging from 25 cents to 35 cents per bottle.

(3) Said rate of duty naturally reduces the sale of the article. During the past year our firm paid duties of about \$275,000. With the reduction asked for we could probably double this revenue to the Government. The ale could then be sold to the consumer for 15 or 20 cents per bottle. Thus the Government could be greatly benefited as well as the consumer, without any injury whatever to any domestic interest.

(4) The rate of 25 cents a gallon for bottles would figure about 28 per cent ad valorem. It is respectfully submitted that 28 per cent is a sufficiently high rate of duty for this article, especially when it is considered that ocean freights, insurance, commissions, etc., will figure from 8 per cent to 10 per cent more on the import cost.

Respectfully submitted.

H. P. FINLAY & Co. (Limited),
JOHN J. ROONEY, *Attorney*,
No. 35 South William Street, New York City.

**H. P. FINLAY & CO., NEW YORK CITY, FILE ADDITIONAL STATE-
MENT RELATIVE TO BOTTLED ALES.**

35 SOUTH WILLIAM STREET,
New York City, November 17, 1908.

COMMITTEE ON WAYS AND MEANS,

Washington, D. C.

GENTLEMEN: We file the following statement in response to the request of Hon. E. J. Hill, of your committee, made to our attorney,

John Jerome Rooney, esq., at the hearing before you on the wine and ale schedule (Schedule H) held November 12, 1908.

Mr. Rooney had said that the price of ale in bottles to the consumer was too high under the present rate of duty on ale in bottles, of 40 cents per gallon. Mr. Hill asked: "What was your selling price under lower tariffs in the past?" Mr. Rooney promised to file with your committee a verified statement in answer to this question. It follows:

Under the tariff of 1890 (the McKinley bill) the duty was 40 cents per gallon in bottles—our form of Dogshhead Bass ale. Our selling price was \$1.71½ per dozen (pints).

Under the tariff of 1894 (Wilson bill) the duty was 30 cents per gallon. Our selling price dropped to \$1.61½ per dozen bottles (pints).

Under the Dingley bill (tariff of 1898) the duty was and is 40 cents per gallon. Our price, New York, was and is \$1.71½ per dozen (pints). There are in a dozen pints 1⅛ gallons of ale, by United States gauge.

The rise or decline of the duty above shown makes a difference either way of 11¼ cents per dozen. When the duty declined 11¼ cents we reduced the price to the consumer 10 cents on the dozen; when the duty rose 11¼ cents we raised the selling price only 10 cents.

We trust the above figures will cover the inquiry. Our books are open to inspection at any time.

We paid last year about \$275,000 in duties. We could greatly increase this if you give us the duty at 25 cents per gallon.

No domestic interest could be affected, the Government's revenue would greatly increase, and the consumer would be benefited—the present retail selling price of from 25 cents to 35 cents per pint being prohibitive to many people, and certainly excessive to those who use this popular and nourishing brand of Bass ale.

Respectfully submitted.

H. P. FINLAY & Co. (Limited),
Per HENRY J. FINLAY, *Secretary*.

Personally appeared before me Henry J. Finlay, secretary of the H. P. Finlay & Co. (Limited), who subscribed and swore to the truth of the above statement.

[SEAL.]

C. R. SPENCE.
Notary Public, New York County.

PRUNE JUICE.

[Paragraph 299.]

NICHOLAS RATH & CO., NEW YORK CITY, THINK THAT THE
PRESENT DUTY ON PRUNE JUICE IS INADEQUATE.

NEW YORK, December 4, 1908.

HON. SERENO E. PAYNE,
*Chairman Ways and Means Committee,
House of Representatives, Washington, D. C.*

DEAR SIR: In reference to the tariff hearings now being held by your committee, we most respectfully beg to draw your attention to what to us appears an entirely inadequate duty imposed on an article

of foreign manufacture, which is imported to be placed in competition with a material made here.

The article we refer to is imported under the name of "prune juice," and for a long time was admitted at an ad valorem duty, but since the passage of the McKinley tariff bill it has been subject to a specific duty of 60 cents per gallon, with an alcoholic strength of under 18 per cent.

We commenced the manufacture of the original and genuine article designated by the name "prune juice," here in 1869, it being a combination of prunes, raisins, etc., with about 33 per cent spirit. This, needless to say, is a purely American product, paying to the United States Government over 50 cents per gallon in tax on spirit and duty on fruit, not to mention \$200 a year for license.

After spending several of the best years of our lives and large sums of money in introducing this article of American manufacture, certain people—in order to profit by our work and the high reputation of our goods—got some cheap concoctions made in Germany, which they also branded "prune juice," although such an article bearing that name was never known to the trade in any country but this.

We most respectfully submit that this subjects us to a very great injustice, as this article—even if it were at all like the original in quality—could be made in Europe much more cheaply than here, labor, house rent, etc., being so much lower. As a matter of fact, it seems to us a great hardship that such articles should be admitted at all under the brand of "prune juice," they being almost totally different to what is known to commerce by that name.

Trusting that your committee will give this matter their kind consideration, we are,

Yours, very respectfully,

NICHOLAS RATH & Co.,
MATTHEW RATH, *President*.

CARBONATED BEVERAGES.

[Paragraph 300.]

THE AMERICAN BOTTLERS' PROTECTIVE ASSOCIATION, NEW YORK CITY, ASKS FOR RETENTION OF PRESENT DUTY UPON SODA, GINGER ALE, AND LIKE BEVERAGES.

NEW YORK CITY. *December 4, 1908.*

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: The American Bottlers' Protective Association, whose membership is composed of nearly all the leading manufacturers and bottlers of soda, ginger ale, and other carbonated beverages in this country, desiring to be heard upon the question of the adjustment of a tariff upon similar products manufactured abroad and imported for consumption in America, respectfully submit:

The manufacture of these beverages in the United States may fairly be termed, even at this day, an "infant industry."

Several eminent chemists and certain manufacturers of machinery and appliances have worked very hard for the success which has been attained in manufacturing soda, ginger ale, and other carbonated beverages in this country, but it may fairly be said that such success is, after all, but a fair promise of the future of this industry.

We believe that the tariff upon this class of imports should not be reduced. It is already very small and its reduction would be of no advantage to the consumer. The large importer would profit by the abolition of the duty, but the general distributor would still charge the consumer the same price that exists at present, for the reason that the duty on each package is now so small that the retail dealer would not shade his present price in order to give the consumer the benefit of the reduced duty.

The pure-food laws and regulations of the Congress and the legislatures of the various States require a high standard of excellence in our products, and we believe that everything possible should be done to encourage manufacturers of these beverages to comply with the requirements of such laws and regulations. We fear that if American manufacturers of soda, ginger ale, and other carbonated beverages are compelled to compete in the American market with foreign manufacturers both the American product and the foreign product will deteriorate in the struggle to foist upon the public cheap and deleterious beverages.

The great wave of temperance sentiment which for some time past has been sweeping over the country requires that the question of pure and wholesome temperance drinks should receive careful consideration. There is a public demand for high-class beverages which are not intoxicating. Individuals, firms, and corporations engaged in our business and members of our organization believe that every effort should be made to satisfy this public demand by producing a quality of goods which shall strictly comply in analysis with the most exacting requirements of all state and national laws.

The customs duties hereinbefore referred to are not only a source of revenue, and at the same time a protection to American industry, but also safeguard the public health.

Respectfully submitted.

AMERICAN BOTTLERS' PROTECTIVE ASSOCIATION,
FRANK P. CARR, *President*.
R. E. SCHODER, *Secretary*.

HON. WILLIAM S. BENNET, M. C., FILES LETTER OF W. A. ROSS
& BROTHER, NEW YORK CITY, RELATIVE TO DUTIES ON CAR-
BONATED BEVERAGES.

NEW YORK, *December 21, 1908.*

HON. WM. S. BENNET, M. C.,

House of Representatives, Washington, D. C.

DEAR SIR: Referring to your esteemed favor of April 6 last, relating to contemplated tariff revision, and in accordance with your request that we address you on this subject at the proper time, we now take the liberty of suggesting the following revision to paragraph 300 of Schedule H in present tariff law. This covers ginger ale and ginger beer and other similar beverages containing no alcohol. Our suggested revision is to specifically cover ginger ale and similar bev-

verages imported in glass bottles containing each not more than three-eighths of a pint, which under the present tariff law are assessed at 18 cents per dozen, the same as if they contained three-fourths of a pint.

Ginger ale and ginger beer and other similar beverages containing no alcohol, in plain green or colored, molded, or pressed glass bottles, containing each not more than three-eighths of a pint, per dozen, ten cents; more than three-eighths of a pint each and not more than three-fourths of a pint, per dozen, eighteen cents; more than three-fourths of a pint each and not more than one and one-half pints, per dozen, twenty-eight cents. No additional duty on bottles.

The split of ginger ale and club soda is a recent innovation imported for the convenience of the American consumer of these goods, and we feel certain that no objection can legitimately be made against the revision of the paragraph 300 in order to specifically cover this new package, which was not in existence when the present tariff law was passed.

Thanking you in anticipation, we remain,

Yours, truly,

W. A. ROSS & BROTHER (Incorporated).
G. B. FISHER, *Treasurer*.

THE MINNESOTA BOTTLERS' ASSOCIATION URGES RETENTION OF PRESENT DUTIES ON AERATED DRINKS.

650 MINNEHAHA STREET,
St. Paul, Minn., December 29, 1908.

HON. FRANK M. NYE, M. C.,
Washington, D. C.

DEAR SIR: The Minnesota Bottlers' Association, whose membership is composed of nearly all the leading manufacturers and bottlers of soda, ginger ale, and other carbonated beverages in this State, sincerely believe that the tariff upon this class of imports should not be reduced.

It is already very small, and its reduction would be of no advantage to the consumer. The large importer would profit by the abolition of the duty, but the general distributor would still charge the consumer the same price that exists at present, for the reason that the duty on each package is now so small that the retail dealer would not shade his present prices in order to give the consumer the benefit of the reduced duty.

Several eminent chemists and certain manufacturers of machinery and appliances have worked very hard for the success which has been attained in manufacturing soda, ginger ale, and other carbonated beverages in this country, but it may fairly be said that such success is, after all, but a fair promise of the future of this industry, and the manufacture of these beverages in the United States, especially in the West, may be fairly termed, even at this day, an "infant industry."

Trusting that you will view this matter in the same light as we do, which we think and feel is a just one, and assuring you that any efforts used in our behalf will be very much appreciated, we are,

Very truly, your,

MINNESOTA BOTTLERS' ASSOCIATION,
Per A. W. DREWRY, *Secretary*.

TABLE WATERS.

[Paragraph 301.]

IMPORTERS OF APOLLINARIS AND OTHER MINERAL TABLE WATERS ASK FOR REDUCTION OF DUTY.

NEW YORK, *December 1, 1908.*

HON. SERENO E. PAYNE,

*Chairman of the Committee on Ways and Means,
House of Representatives, Washington, D. C.*

SIR: We beg to submit that the accompanying table of the present and past rates of duty on mineral waters is in itself ample evidence of the necessity for a reduction of the present rates.

Prior to 1879 both the water and the bottles containing the same came in entirely free.

From 1879 to 1890 the duty per case of 50 whole or quart bottles was 23 cents; it is now \$1.25.

Similarly, a case of 100 small or pint bottles from 1879 to 1890 paid 36 cents, but now pays \$1.66.

The half-pint bottles (commonly called "splits") were not imported prior to 1894, but would under the 1879 tariff have paid correspondingly less than the 36 cents per 100 pint bottles, while they now also pay \$1.66—just as much as the pint bottles—which clearly is unwarranted.

Up to 1894 these mineral waters when filled in stone jugs paid no duty whatsoever, while now the same are subject to the prohibitive duty of \$3.22 per hamper of 50 quart stone jugs, the importation thereof having accordingly ceased.

Yours, respectfully,

APOLLINARIS AGENCY COMPANY,
I. HALDENSTEIN, *Managing Director.*

EXHIBIT A.

Table of duty on Apollinaris and other mineral waters.

	Per case of 50 quart bottles.	Per case of 100 pint bottles.	Per case of 100 half-pint bottles.	Per ham- per of 50 quart stone jugs.
1872 to 1879.—No duty on the water or on the coverings.	None.	None.	(*)	None.
1879 to 1890.—No duty on the water. Duty of 30 per cent on the value of the glass bottles. No duty on the stone jugs.	\$0.23	\$0.36	(*)	Nons.
1890 (McKinley Act).—Duty calculated on the weight of the empty glass bottles, at 1 cent per pound on quarts weighing 1½ pounds each and 1½ cents per pound on the pint bottles weighing 1 pound each. No duty on stone jugs.	.75	1.50	(*)	Nons.
1894 (Wilson Act).—Calculated on the weight of the empty glass bottles, at three-fourths cent per pound on the quarts, 1½ cents per pound on the pints, and 1½ cents per pound on the half-pints (weight 11 ounces). No duty on the stone jugs.	.56½	1.12½	\$0.77½	None.
1897 (Dingley Act, Schedule H, par. 301).—Calculated at 30 cents per dozen quart bottles, 20 cents per dozen pint bottles, and 20 cents per dozen half-pint bottles. Stone jugs, per hamper of 50 quarts, calculated at 24 cents per gallon, 12½ gallons per 50 jugs being \$3. and 25 per cent duty on 3.63 marks, the value of 50 empty stone jugs, being 91 pfennig, or 22 cents, making a total of \$3.22 per 50 quart jugs.	1.25	1.66	1.66	^b \$3.22

* Not imported.

^b Prohibitive rate; hence apollinaris not imported in jugs.

HENRY MELVILLE, NEW YORK CITY, SUBMITS STATEMENT RELATIVE TO ADMISSION OF APOLLINARIS INTO FRANCE.

NEW YORK, *December 2, 1908.*

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: In the printed minutes of hearings before you, in remarks of Mr. Vance, I notice an erroneous statement as to the conditions governing the admission of Apollinaris water into France.

It is not true that the word "artificielle" must be, or is, blown in the bottle or used on the label, or that "salts are added to give the water life and sparkle," or for any other purpose.

To Apollinaris, as it comes from the spring and is bottled, absolutely nothing is added except its own natural gas.

The matter is governed by an order of the minister of the interior, No. 3620, dated October 27, 1906, reading as follows:

L'introduction des eaux minerales artificielles étrangères est subordonnée aux conditions suivantes:

1. Ces eaux doivent être renfermées dans des bouteilles or cruchons, portant en caracteres indelebiles, l'indication "Eau artificielle."

2. Leur importation en tonneaux autres recipients est interdite.

3. La douane doit s'assurer sur echantillon, de la bonne qualite de l'eau employee a leur fabrication et du bon etat des siphons, notamment en ce qui concerne les tetes metalliques et les tubes interieurs.

L'eau d'Apollinaris étant gazeifiée au moyen de son propre gaz n'est pas considérée comme eau artificielle. L'introduction de cette eau n'est soumise des lors qu' aux deux. (Lettre commune n 1130 du 2 juin 1905.)

[Translation.]

The introduction of foreign artificial mineral waters is subject to the following conditions:

1. These waters must be inclosed in bottles or jugs bearing in indelible characters the indication "Eau artificielle."

2. Their importation in barrels or other receptacles is forbidden.

3. The custom-house must satisfy itself on a sample of the good quality of the water employed in their fabrication and of the good condition of the siphons, especially as regards the metal heads and the interior tubes.

The Apollinaris water, being carbonated by means of its own gas, is not considered as an artificial water. The introduction of this water is subject, therefore, only to the last two conditions mentioned above. (Circular letter No. 1130 of June 2, 1905.)

Requesting, therefore, as a matter of justice, that this correction may go into the report of the hearings and thus be given the same publicity as the original mistake, I am,

Very respectfully,

HENRY MELVILLE,
Attorney for Apollinaris Company (Limited).

THE APOLLINARIS AGENCY COMPANY, NEW YORK, FILES SUPPLEMENTAL STATEMENT RELATIVE TO FRENCH TARIFF.

NEW YORK, *December 19, 1908.*

HON. SERENO E. PAYNE,

Chairman Committee on Ways and Means,

Washington, D. C.

SIR: Mr. Lee J. Vance, the publisher of a trade paper called the "Mineral Water News," stated at the November 12 hearing on mineral waters, which are provided for in Schedule H, that—

The French tariff law of July 18, 1906, imposes a duty of 20 francs (\$3.86) per 100 kilos; that is, 220 pounds, not including bottles. This is simply prohibitive, and is undoubtedly meant to shut out American waters. The French duty of 20 francs per 100 kilos on our waters means \$3.71 a case of 100 pints and \$3.25 per case of 50 quarts. It means \$1.42 on the water alone.

By reference to the French tariff, or to the translation issued by the Department of Commerce and Labor, entitled "Customs tariff of France, November, 1907," it will be seen that Mr. Vance is referring to the maximum tariff.

The minimum tariff makes mineral waters of all kinds free of duty, while the glass bottles containing same are dutiable at only 3½ francs (67.55 cents) per 100 kilos (220 pounds), with no duty whatsoever on the containers if they be stone jugs.

The maximum tariff is given in this official translation as 20 francs per 100 kilos on the mineral water and 4½ francs (86.85 cents) per 100 kilos (220 pounds) on the glass bottles, which latter rate Mr. Vance entirely omits to give. (See footnote.)

It is at once apparent that Mr. Vance, although he stated that the 20-franc rate does not apply to the bottles, nevertheless mistakenly proceeded to apply it to the bottles, and, moreover, to all the other coverings, including the heavy wooden cases.

He correctly states that 20 francs equal \$3.86, which means that 1 pound carries a duty of 1.75 cents; this requires a weight of 212 pounds to bring about a duty of \$3.71, which is the figure he gives for a case of 100 pints.

As the actual weight of the water alone in the 100 so-called "pint" bottles is only about 80 pounds—taking Apollinaris as a standard—it is seen that Mr. Vance has wrongly applied 20 francs per 100 kilos on the balance of 132 pounds, which constitute all the "coverings," instead of calculating only 4½ francs per 100 kilos, even if it be assumed that all the "coverings" are dutiable—making, at least, an error of 15½ francs per 100 kilos (220 pounds) on 132 pounds, an excess of \$1.79 on the case.

Surely so gross an error as an exaggeration to the extent of \$1.79 in a claim that the duty is \$3.71 is more than sufficient to discredit all the figures of Mr. Vance.

It will be found that his claim of \$3.25 duty on a case of 50 so-called "quart" bottles is correspondingly, and for the same reasons, ridiculously excessive.

It is, moreover, noticeable that Mr. Vance omits to give an example of the duty on the size most popular in the mineral-water trade, the so-called "half-pint" or "split" bottle.

Calculating a case of 100 splits to weigh a total of 135 pounds, the water alone weighing about 50 pounds, on which the maximum duty would be $87\frac{1}{2}$ cents, there would be left a total of 85 pounds as the weight of the bottles, case, and other coverings, which at the maximum rate of $4\frac{1}{2}$ francs per 220 pounds would pay $33\frac{1}{2}$ cents, making a total "maximum" duty of \$1.21 for the case, as against the United States duty of $\$1.66\frac{2}{3}$ (at the rate of 20 cents per dozen) as shown in the letter which we had the honor to address to you on the 1st instant.

If any argument is to be drawn from the consideration of the French tariff, it is that the United States duty on splits is extremely excessive.

It must also be considered that the minimum French duty on a case of 100 splits, the water itself under that being entirely free, is but a total of 26 cents (even if the $3\frac{1}{2}$ francs per 220 pounds, which is the minimum duty on the glass bottles, be figured as well on all the other coverings) and equals a rate of twenty-six one-hundredths of a cent per bottle, or $3\frac{1}{8}$ cents per dozen, as against the United States duty of 20 cents per dozen.

Why Mr. Vance omitted to give the tariff conditions as to mineral waters in the case of England, Austria, and Germany, which last-named country exports a greater amount of mineral water to the United States than any other does, may well be left to the investigation, or even the imagination, of your honorable committee.

Yours, respectfully,

APOLLINARIS AGENCY COMPANY,
I. HALDENSTEIN, *Managing Director*.

NOTE.—The collator and translator of the French tariff published by the Department of Commerce and Labor, which is referred to above, has called our attention to a printer's error in the line relating to mineral waters, on page 26 of his book, and states that the words "recipients included" should be stricken out and the maximum rate given as 20 francs net; this is plain in the original French, and the law is correctly stated in the communication of Consul-General Skinner, a part of which Mr. Vance quoted. The rate for bottles is correctly given at the foot of page 38 of that United States Government translation of the French tariff.

**SAMUEL W. MENDUM, BOSTON, MASS., WRITES RELATIVE TO THE
DUTY ON SPRING TABLE WATERS.**

10 TREMONT STREET,
Boston, December 21, 1908.

HON. SAMUEL W. MCCALL, M. C.,
Washington, D. C.

MY DEAR CONGRESSMAN: The Dingley law is entitled "An act to provide revenue for the Government and to encourage the industries of the United States."

Assuming that the proposed revision of the tariff is to be an honest and, I hope, a scientific one, I beg leave to call to your attention an

American industry that the Dingley law destroyed, and to express the hope that the tariff law of 1897 will be changed to conform to scientific principles.

I was counsel before and during 1897 for the St. Leon Mineral Water Company, a corporation organized under the laws of the State of Maine, officered by American citizens, and with its usual place of business and distributing point at Boston, Mass. The only thing that was foreign about the company was the fact that the spring whence the water gushed forth from the earth was in Canada. Before the passage of the Dingley law the water was imported free of duty. By accident or design, I don't know which, the Dingley law placed a duty upon this water which was prohibitive and drove an American industry out of business.

Paragraph 301 of Schedule H of the Dingley law provides that:

All mineral waters and all imitations of natural mineral waters and all artificial mineral waters not specially provided for in this act, in green or colored glass bottles, containing not more than 1 pint, 20 cents per dozen bottles. If containing more than 1 pint and not more than 1 quart, 30 cents per dozen bottles. But no separate duty shall be assessed upon the bottles. If imported otherwise than in plain green or colored glass bottles, or if imported in such bottles containing more than 1 quart, 24 cents per gallon, and in addition thereto duty shall be collected upon the bottles or other covering at the same rates that would be charged thereon if imported empty or separately.

On September 3, 1897, the company imported 63 barrels of the crude water aggregating 2,260 gallons. The water was valued at \$45 and the barrels were valued at \$32. The duty assessed and paid under protest by the St. Leon Mineral Water Company was as follows:

24 cents per gallon.....	\$542. 40
30 per cent on value of barrels.....	9. 60
Total duty.....	552. 00

This is an ad valorem rate of $1,205\frac{1}{2}$ per cent, or $1,226\frac{2}{3}$ per cent on the whole importation.

The above duties were paid at the custom-house in Boston, Mass., while Hon. Winslow Warren was collector, and I have his written certificate to that effect. Protest was made to the Board of General Appraisers, but the law seemed to them too clear to admit of doubt, and though they were sympathetic, they declared themselves powerless to provide relief.

Furthermore, the water imported in barrels was raw material, the filtering, labeling, bottling, and marketing being all done in the United States. Again, the rate on the water imported in barrels is higher than if imported in quart bottles, the rate per gallon on water imported thus being only 10 cents per gallon, with an extra duty on the bottles. It would be interesting to know upon what theory of protection a finished product upon which all the labor of preparation for market is expended is taxed less than half the rate on the raw material. The natural water imported in barrels is thus taxed more than ale, porter, and beer when imported otherwise than in bottles or jugs, the rate on these finished products being 4 cents less, or 20 cents per gallon.

The result was that this American industry was put out of business. As attorney for the company, I filed with the attorney-general

of Maine the usual certificate that the company had ceased to do business, and I do not know of any business done by the company since that time.

It seems to me that this duty ought to be removed, or at least so low a duty imposed as not to prohibit the importation of the water.

Yours, very truly,

SAMUEL W. MENDUM.

HON. JAMES S. SHERMAN, M. C., FILES LETTER OF THE HUNTOON
SPRING WATER COMPANY, NEW YORK CITY.

WASHINGTON, D. C., *January 6, 1909.*

HON. S. E. PAYNE,
*Chairman Committee on Ways and Means,
House of Representatives, Washington, D. C.*

MY DEAR MR. PAYNE: I inclose your letter from the Huntoon Spring Water Company, of New York, to which I ask your respectful consideration, and which I would be glad to see published as a brief in the hearings on the subject of the tariff on water.

Very sincerely, yours,

J. S. SHERMAN.

11 WEST TWENTY-FIFTH STREET,
New York, January 2, 1909.

MR. CHARLES A. MOORE,
*President The American Protective Tariff League,
85 Liberty street, City.*

MY DEAR MR. MOORE: The subject matter of attached clipping from December, 1908, issue of the American Wine Press and Mineral Water News may appeal to your good self and members of the league. Reference is made to various banquets recently given by members of the Republican Club in honor of prominent gentlemen as a compliment or mark of appreciation for conspicuous service during the late campaign to maintain the motto of the American Protective Tariff League, "Devoted to the protection of American labor and industries." On these occasions a French table water was used exclusively. The guests could not of course with propriety offer any criticism, even if they felt so disposed. But assuming that their hosts, the members of the club, stand squarely with your league for a tariff that will assist in the promotion of domestic enterprises, sustain American labor, etc., it seems to me they should practice what they preach, which apparently—at least in the particular cases referred to—they did not do.

As an illustration of the present condition of the French and American tariff on imported waters, I would point out that the present duty on a case of French water brought into this country is \$1.25, while the French assess a duty of \$3.86 a case on American water, and on account of the high protective duty in France the sale of American

waters is practically prohibited. Is this protecting American industries? Do importers of foreign waters subscribe to the American Protective Tariff League or to the Republican campaign fund to elect supporters of protection? Do they pay national taxes other than an insignificant duty? Examine, if you please, the opposite condition. Many millions of dollars of American capital are invested in this country in the water trade; employment is given to thousands of taxpayers and voters. Our capital has constructed the largest and best-equipped bottling plants in the world. Then, why not protect same?

This company is now petitioning Congress to impose such duties on imported waters that will equalize the excessive tax on exported American commodities of like character, not, however, for the purpose of increasing, but rather reducing the present—and altogether too high—cost of domestic table waters. With your cooperation in supporting our position for an increase in the tariff on imported waters we will furnish the purest and most healthful water in the world at prices that will be reasonable and just and within the reach of all. Will your league assist? Will the Republican Club do likewise and use American waters? If so, the intent of your organization will truly mean "protection of American labor and industries."

Respectfully,

M. C. ROACH,

Secretary and Treasurer the Huntoon Spring Water Company.

EXHIBIT A.

[From the American Wine Press, December 15, 1908.]

What makes the matter a little worse is that France practically bars out American waters. The tariff duty on American water imported into France is so high as to prohibit its sale in that country. It is 20 francs per 100 kilos, with a separate duty on the bottles. This is \$3.86 per case and \$1.44 on the water alone.

And so, in return for France barring out American waters, the dinner committee of the Republican Club show their gratitude by having only a French water served at an official banquet. There may be a "reason" for such action, but we confess that we do not quite understand it.

REPUBLICAN CLUB AND FOREIGN THINGS.

At the big dinner given to Hon. Frank H. Hitchcock, president, and George R. Sheldon, treasurer, of the national Republican campaign committee, on December 3 at the Republican Club, New York, many members and guests were greatly surprised that only foreign wines and a French table water were served. The committee in charge of the affair were Messrs. Perley Moore, William Miller, and Frank S. Williams.

It is about time that either the members of this committee or the manager and steward of the Republican Club had a good "calling down" for serving exclusively foreign wine and a French table water at a banquet of an organization and of a political party both of which loudly claim to stand for the recognition and support of everything that is American. If the policy of the Republican Club is to patronize exclusively foreign products, it is directly contrary to the principles and platform of the Republican party. The policy of the Republican Club, if carried out to its conclusion, would compel the producers of all other American products to be driven out of business through the encouragement of nothing but foreign importations.

The action of the officers and committee of the Republican Club is distinctly unpatriotic and provincial. Just think of what would happen if, on an official occasion, a German club in Berlin served only French wine and an English table water. The affair would soon break up in a big row. Suppose a dinner committee of a French club in Paris would dare to offer only German wines and an Italian water to its members and guests, what would happen? Well, the dinner committee would never try it a second time. Are the officers and members of the Republican Club more snobbish and less sensitive to just criticism than the officers and members of foreign clubs? We hope not.

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TARIFF HEARINGS

BEFORE THE COMMITTEE ON
WAYS AND MEANS OF THE
HOUSE OF REPRESENTATIVES

SIXTIETH CONGRESS

1908-1909

SCHEDULE I

Cotton, and Manufactures of



WASHINGTON
GOVERNMENT PRINTING OFFICE

1909

COMMITTEE ON WAYS AND MEANS.

HOUSE OF REPRESENTATIVES.

SERENO E. PAYNE, *Chairman*.

JOHN DALZELL.
SAMUEL W. MCCALL.
EBENEZER J. HILL.
HENRY S. BOUTELL.
JAMES C. NEEDHAM.
WILLIAM A. CALDERHEAD.
JOSEPH W. FORDNEY.
JOSEPH H. GAINES.
ROBERT W. BONYNGE.

NICHOLAS LONGWORTH.
EDGAR D. CRUMPACKER.
CHAMP CLARK.
WILLIAM BOURKE COCKRAN.
OSCAR W. UNDERWOOD.
D. L. D. GRANGER.
JAMES M. GRIGGS.
EDGAR W. POU.
CHOICE B. RANDELL.

WILLIAM K. PAYNE, *Clerk*.

P R E F A C E .

Tariff hearings were begun on November 10, 1908, pursuant to the following notice:

The Committee on Ways and Means will hold hearings on tariff revision, at Washington, D. C., commencing on the following dates:

Tuesday, November 10, 1908, on Schedule A—Chemicals, oils, and paints.

Thursday, November 12, 1908, on Schedule H—Spirits, wines, and other beverages.

Friday, November 13, 1908, on Schedule F—Tobacco, and manufactures of.

Monday, November 16, 1908, on Schedule E—Sugar, molasses, and manufactures of.

Wednesday, November 18, 1908, on Schedule G—Agricultural products and provisions.

Friday, November 20, 1908, on Schedule D—Wood, and manufactures of.

Saturday, November 21, 1908, on Schedule M—Pulp, papers, and books.

Monday, November 23, 1908, on Schedule B—Earths, earthenware, and glassware.

Wednesday, November 25, 1908, on Schedule C—Metals, and manufactures of.

Saturday, November 28, 1908, on Schedule N—Sundries.

Monday, November 30, 1908, on Schedule J—Flax, hemp, and jute, and manufactures of.

Tuesday, December 1, 1908, on Schedule I—Cotton manufactures, and on Schedule L—Silks and silk goods.

Wednesday, December 2, 1908, on Schedule K—Wool, and manufactures of.

Friday, December 4, 1908, on Sections 3-34, and miscellaneous matters.

Hearings on articles now on free list will be held on the above dates in connection with the above subjects to which they most nearly relate.

The hearings will be held in the rooms of the committee, third floor, House of Representatives Office Building.

Sessions will begin at 9.30 a. m. and 2 p. m., unless otherwise ordered.

Persons desiring to be heard should apply to the clerk of the committee previous to the day set for the hearing, to be assigned a place on the programme for that day. A person making such application should state:

1. His name.
2. His permanent address.
3. His temporary address in Washington.
4. Whom he represents.
5. Concerning what paragraphs he desires to be heard.
6. Briefly, what position he expects to advocate.
7. How much time he wishes to occupy.

He should also inclose a copy of his brief and of any documents he desires filed with the committee.

All briefs and other papers filed with the committee should have indorsed on them the name and address of the person submitting them, and the numbers of the paragraphs of the present law (act of July 24, 1897) to which they relate.

WILLIAM K. PAYNE,
Clerk, Committee on Ways and Means.

The committee subsequently extended the time for hearings to December 24, 1908.

On the opening day of the second session of the Sixtieth Congress (December 5, 1908), the following resolution was passed by the House of Representatives:

Resolved, That the Committee on Ways and Means, in their investigation and inquiry for the purpose of preparing a bill to revise the present tariff laws, shall have power to subpoena and examine witnesses under oath, and to send for records, papers, and all other evidence that may be necessary to make the investigation and inquiry full and complete, and that the Speaker shall have authority to sign and the Clerk to attest subpoenas during the recess of Congress.

Pursuant to this resolution, all witnesses appearing before the committee, beginning with the session on December 10, 1908, were sworn before giving their testimony.

The stenographic minutes of each day's proceedings, together with the briefs and memorials filed, were printed and distributed the following morning, and upward of 2,500 copies of this first print were sent out each day. Copies were sent to each witness, with a request that he correct his statement as printed, and return the revised copy to the clerk. Such corrections have been used in preparing this revised edition of the hearings.

In this edition the chronological order of the statements has been disregarded, and the oral statements and papers filed on each subject have been grouped together, following, as far as practicable, the arrangement of subjects in the present tariff law. The date of each oral statement is placed at the beginning of it.

A large number of letters have been filed with the committee which merely stated the attitude of the writer, or else substantially repeated an argument which had already been printed in the hearings. Such letters have not been included in this work, but instead, a statement is made that such letters have been received. They are all on the committee's files, and accessible to the members of the committee. By this means, the size of the volumes, already bulky, has been somewhat reduced, the printing has been expedited, and, it is believed, many undesirable repetitions have been avoided.

WILLIAM K. PAYNE.

JANUARY, 1909.

REMARKS BY THE CHAIRMAN.

Tuesday, November 10, 1908, the chairman of the committee, Hon. S. E. Payne, opened the public hearings with the following remarks:

Gentlemen, the hearings will commence at half past 9 in the morning and continue until 1 o'clock, when a recess will be taken until 2 o'clock. The hearings will then be resumed in the afternoon at 2 o'clock, and if it becomes necessary to take a recess at 6 o'clock the committee can do so and continue the hearings at 8 o'clock.

The opening hearing this morning, as you are aware, is upon the chemical schedule of the tariff, and it is the desire of the committee to hear the parties interested and others who may desire to speak on the subject embraced in the schedule, and also concerning the chemicals on the free list, and so with each paragraph of the bill as we proceed, so that the discussion may continue intelligently, involving every item connected with the subject.

The committee has no apologies to make for the bad acoustics of the hall, as we have nothing to do with that feature. We hope the people in attendance will be able to hear, and I would caution those in attendance that they speak in a sufficiently loud tone of voice that the committee can hear.

December 22, 1908, at the close of the formal hearings, the chairman said:

Gentlemen, in accordance with the resolution of the committee passed two weeks ago this closes the hearings and there will be no further hearings by the committee unless they desire information on some subject and invite gentlemen to be present to give them that information—that is, there will be no hearings for volunteers as distinguished from those who may be sent for by the committee. Of course, any persons desiring to present briefs and file them can do so, and they will be printed with the hearings. The only difficulty in regard to that is that if they are not brought in promptly they will be printed in a subsequent volume. I think we have material now for five or six volumes, and belated briefs and papers will be printed in a subsequent volume with the index.

Before we adjourn I want to thank the members of the committee for their uniform courtesy, and especially their indefatigable inquiries tending to bring out the facts in reference to the tariff and in order to aid in perfecting the bill. I think the minority members of the committee especially are entitled to thanks for their perseverance and patience in getting at the facts.

Mr. COCKRAN. As the senior member of the minority, Mr. Chairman, I want to say that nothing could be fairer than the manner in which this investigation has been conducted, and no inquiry could be fuller in its scope or more fruitful in its results.

The CHAIRMAN. The chairman is very much gratified at the gentleman's statement. The committee will now stand adjourned.

SCHEDULE I.

COTTON, AND MANUFACTURES OF.

SCHEDULE I—COTTON, AND MANUFACTURES OF.

COTTON.

[Paragraph 537.]

JOHN G. CAWLFIELD, STOCKDALE, TEX., PETITIONS FOR TARIFF PROTECTION FOR PRODUCERS OF COTTON.

STOCKDALE, TEX., *November 30, 1908.*

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: We are promised a revision of the tariff in the near future. As the Republicans are in the majority, we may reasonably conclude that it will be done closely following protection lines. The manufacturers will claim a duty is necessary to enable them to compete with foreign pauper labor and maintain the price of labor paid to factory hands in this country. By reference to the tariff we see the manufacturer and his employees have been liberally cared for. In certain products of the farm, ranch, and mine the producer seems to be fairly cared for, many of which we lead the world in production, some of which are wheat, tobacco, coal, petroleum, pig iron, steel, and copper. The duty on certain products, as follows: Wheat, 25 cents per bushel; barley, 30 cents per bushel; butter and substitutes, 6 cents per pound; eggs, 5 cents per dozen; poultry, dressed, 5 cents per pound; beef, mutton, and pork, 2 cents per pound; cattle 27½ per cent ad valorem; horses and mules \$30 per head; wool, first class, 11 cents per pound; second class, 12 cents per pound.

We see by the tariff that almost every branch of industry but the cotton raiser is protected against pauper labor. Those engaged in producing cotton consist of millionaires who own thousands of acres of land down to the man who is so poor that he does not own a weeding hoe. The men, women, and children who produce the cotton are entitled to protection as much as any other class of labor. They produce the most of the world's supply of cotton, and have protected industries to clothe and feed them what they get, which is a scant living. The landowner is as much entitled to protection as the factory owner. There should be a duty of 8 cents per pound on middling cotton, 10 cents on all lower grades. There are from 150,000 to 200,000 bales of cotton imported annually, raised by foreign pauper labor. Our cotton is raised by native born or naturalized American citizens who may be paupers but should not be classed with paupers of foreign countries.

Many farmers believe this cotton is imported of low grade by the New York Cotton Exchange to control the American market and in the interest of those dealing in futures when actual cotton is demanded. Suppose the answer is this: Imported cotton is of the long-staple variety, of which the supply is not equal to the demand, then the long-staple cotton production is an infant industry which should be nourished by protection until we can supply the demand. We have the soil, climate, and muscle if the price is raised to meet the cost of production. The raising of short-staple cotton may not be an infant industry, but if any person fond of investigation will visit the cotton fields during the chopping and picking season he will find mothers with nursing infants in the fields chopping and picking cotton, and children from 7 years old up chopping and picking cotton. Chopping lasts through April, May, and June; picking begins in July and lasts until January.

The laborers who actually produce the cotton do not receive on an average more than 75 cents per day for men; women and children, 37½ cents per day. The children of these families in scholastic age do not attend school on an average more than two months in the year, which the enrollment and the daily attendance school roll will show. They do not receive enough food and clothing to call it a living. They merely exist trying to raise cotton at 8 cents or less per pound. In Texas at least one-third of the cotton is plowed, chopped, and picked by white men, women, and children, the balance by Mexican and negro labor. The actual producers of cotton are all in one class and face the same conditions of price and living.

If the cotton raisers living in Messrs. Garner and Slayden's congressional districts would call their attention to their deplorable condition, they would defend them with the same zeal that they have shown for producers of horses, mules, cattle, and sheep. They heretofore have shown that they intend to represent their constituents as best they could. They said if we are bound to have a protective tariff and it is a good thing we want our people to have all the benefit there is to be got out of it. Congressmen of other districts by their action seem to say we represent a principle regardless of the interest of our constituents or State. This article is offered for the consideration of the public and criticism of those so disposed. These are the views not of a trained writer, but one who adversity has forced to think—a farmer.

JOHN G. CAWLFIELD.

DECEMBER 18, 1908.

WAYS AND MEANS COMMITTEE,

House of Representatives, Washington, D. C.

GENTLEMEN: You are charged by Congress with the duty of framing a tariff bill that will produce annually \$1,000,000,000 or more to support the Government, and expected by some to accomplish this feat without benefiting or injuring any industry or person, especially those residing in and owing allegiance to foreign countries. I am in favor of a protective tariff in the broadest sense if I clearly comprehend—if it means, as I understand, to preserve the home market for the home producer and protect the American laborer from competition with foreign pauper labor. The laboring men have never

failed to respond when called upon to protect the Government and are entitled to protection in return. I see that almost every industry has been represented by able counsel before your committee. I would like to appeal to you in behalf of a very numerous and long-neglected class of labor, the actual producers of cotton.

I see the Congressmen from Florida, Georgia, and Alabama are asking for a duty on long-staple or Egyptian cotton. That should be granted. The Gulf States with protection can and will produce all the long staple needed within five years with remunerative prices. Texas alone can produce it on her coast and irrigated lands from the Rio Grande to Red River. There is but little produced in Texas because there are no gins suitable to gin long-staple cotton. Fair prices will produce the cotton and the cotton produce the gin. The producers of short-staple cotton in Texas have this year produced three and one-half million bales of cotton. Less than one-half the labor in chopping, hoeing, and picking was done by adult males. The other portion was done by women, girls, and children down to 7 years of age, and one-third or more of this work was done by white women and children. This is what it costs to raise cheap cotton. There is no other class of labor so poorly paid or lives so hard in Texas.

These people produce little but cotton and support other industries for food and clothing in limited amounts owing to the low price of cotton and poorly paid labor in the cotton fields. There should be a duty placed on imported cotton that would give absolute control of the home market to the home producer and protect him against foreign pauper labor. Where the cotton raiser knows his interest he is willing to protect all labor engaged in producing some useful thing outside of the cotton field. He learned something during the operation of the Wilson and Gorman tariff bill. There were several million long-horn bulls imported free into and through Texas from Mexico—free hides and free wool. During that time hides were almost valueless; wool sold on the Austin market from 5 to 8 cents per pound; cotton from 3 to 7 cents per pound. The sheep man produced nothing but wool and mutton. He was a consumer of clothing, food, corn, oats, and cotton seed, and employed freighters to haul his wool to market, on return bringing his supplies.

When the cattle and wool industries were practically destroyed their laborers were forced to get behind a plow and mule or pick up a hoe and go to raising cotton, an industry already overdone, producing more cotton than there was a demand for, at starvation prices. Diversification is often suggested as a remedy. The cotton States' soil, climate, and labor is best adapted to the production of cotton. But suppose we undertake to diversify—whose job will we take? We have no factories to employ the women and children. The wheat raiser can not employ women and children, but raise more wheat than any other country in the world. The young men are leaving the farms—going to work on railroads, electric-car lines, or mechanical industries. In cities the occupation of office holding, that has not been invaded by the farm boy. In the office-holding line there are at least half a dozen applicants for every place from constable to Congressman.

If your honorable committee will give us protection against foreign pauper labor and Congress utterly annihilate the New York and New Orleans cotton exchanges and forever wipe out gambling in

cotton futures and let supply and demand control the price, then the men can raise enough cotton to supply the world's demand and let the women keep house and the children go to school. I am not a fanatic or newcomer. I have lived in Texas since March, 1842, and have stated facts as they exist. I inclose an article offered to the San Antonio Express (tariff on cotton), with request to return if considered unfit for publication. It was returned without comment. This is not a petition for charity, but an appeal for long-delayed justice. Hoping you will give the subject careful consideration,

I am, with much respect, a farmer,

JOHN G. CAWLFIELD,
Stockdale, Tex.

**STATEMENT OF HON. FRANK CLARK, A REPRESENTATIVE IN
CONGRESS FROM THE STATE OF FLORIDA, ASKING FOR A DUTY
ON LONG-STAPLE COTTON.**

TUESDAY, December 1, 1908.

Mr. CLARK. Mr. Chairman and gentlemen of the Ways and Means Committee. I am here as the representative of the people of the Second Congressional District of Florida, in the House of Representatives of the Congress of the United States, together with certain of my constituents, who are growers of sea-island cotton in Florida, and who are duly accredited representatives of the sea-island cotton growers of that State, for the purpose of asking your honorable body to incorporate in the bill revising the present tariff schedules, which you will soon frame, a provision placing a duty on all Egyptian, West Indian, and other "long-staple" cotton imported into the United States, from any foreign country whatsoever.

Lest my position and that of our people should be misunderstood, I beg the kind indulgence of the committee, while I briefly state what my understanding of the views entertained by the people of Florida, irrespective of political parties, are. I desire to assure the committee at the outset, that I believe I fully appreciate the proprieties of the occasion, and, therefore, shall not attempt to afflict the committee with a speech on the tariff, but shall content myself with a statement of our position, and follow that with facts and figures which I trust and believe will amply justify the asking which we shall make of this committee.

First, I submit, Mr. Chairman, without in anywise discussing or even impinging on the relative virtues of a "protective tariff" and a "tariff for revenue," that the recent election and other elections preceding it have, in my opinion, forever established as a part of our system of government the indirect scheme of taxation, viz, the levy and collection of customs duties on articles imported into this country from foreign lands. This being true, I am firmly of the opinion that this matter ought to be removed from the domain of partisan politics and hereafter treated as a business proposition, and a commission or other proper tribunal created to deal with it.

Second, I construe the verdict of the American electorate in the recent national contest to mean that the majority desired the dominant political party to "revise the tariff," and I recognize that the responsibility for results is with the majority.

Third, believing that as long as the policy of levying and collecting customs duties on imports is to be maintained by the United States, the people who are forced to bear the burdens of this system of taxation should be allowed to reap some of the benefits which flow from it, myself and my associates are here to ask and to urge that this committee, in its work of revision, will place a reasonably fair and proper duty on all Egyptian, West Indian, and other such long-staple cotton as is imported into this country from Egypt, West Indies, and other foreign lands, and which are competitors in the markets of the United States with the sea-island cotton grown in the States of South Carolina, Georgia, and Florida.

As evidencing that I am truly voicing the sentiments and desires of the people of Florida on this subject, I desire to read certified copies of two memorials to the Congress of the United States, passed by two different legislatures of the State of Florida, in the years, respectively, A. D. 1899 and A. D. 1905. I may add that both of these legislatures were practically solid Democratic bodies.

The memorials are as follows:

MEMORIAL NO. 1.

Memorial to our Senators and Representatives in Congress in reference to a duty on Egyptian, or long-staple cotton, or the importation thereof.

Whereas the present price of long-staple or sea-island cotton is now far below the cost of production, causing a large area of our State to languish and a once profitable industry to wane and die; and

Whereas the low price referred to is not due to overproduction, as is demonstrated by the fact that for a crop of 104,557 bales in 1896 and in 1897 the average price for the grade of "fine" was 11 cents, while the last crop, 75,000 bales only, or 25 per cent less than the year previous, and the average price for the grade of "fine" was 2 cents less, or 9 cents per pound; and

Whereas the indisputable cause for our low prices, financial depression, and agricultural discontent is found in the annually increasing importation of Egyptian cotton, the product of pauper labor; and

Whereas the Democratic party and people have not deemed it derogatory to their principles and interests to have a duty placed on wool, pineapples, citrus fruits, and tobacco; and

Whereas the placing of said duty on the above-mentioned article has proven a direct benefit to our people and with which protection they would not part without a struggle; and

Whereas there are but two ways whereby the money necessary to maintain the National Government can be raised, and since the funds derived from internal revenue are insufficient even when made onerous and burdensome, as they now are; and

Whereas we are forced from the nature of things to depend on a tax laid upon goods and products imported into this country from foreign countries to raise funds to assist in the support of the Government: Therefore, be it

Resolved, That it is the sense of this legislature that a tariff should be laid for revenue only and arranged so that if it shall prove a burthen all may equally bear it, if a benefit it may be equally shared.

Resolved further, That we are unalterably opposed to the free importation of Egyptian or other long staple cotton.

Resolved, That we favor an import duty of 50 per cent ad valorem and 5 cents per pound on all long staple cotton imported into the United States, and that a copy of these resolutions be furnished each of our Senators and Representatives at Washington.

MEMORIAL NO. 2.

Memorial to the Congress of the United States, asking that a duty of at least 10 cents per pound be levied on all importations of Egyptian and other long staple cotton brought into the United States as raw material.

Whereas the present price of long staple or sea-island cotton is below the standard of profitable production and has so been for some years past, causing a large area of our State to be uncultivated and our farming interests to languish; and

Whereas the policy of protection to American interests, if to be continued, should embrace within its fostering care the tillers of the soil who are now and must ever be the mainstay of our republican form of government; and

Whereas the long staple or sea-island cotton grown in this country is used exclusively in the manufacture of the finer fabrics, such as laces, etc., and a duty upon the Egyptian cotton and other foreign long staple cottons would therefore be no burden upon the poor, but would only affect those well able to bear it, and at the same time would greatly encourage a large portion of our farming population; and

Whereas we believe that the levy of such a duty would materially aid in building up our factories engaged in the manufacture of the finer cotton fabrics, while at the same time protecting our farmers from the pauper labor of Egypt: Therefore be it

Resolved, That it is the sense of this legislature that a duty of 10 cents per pound on all Egyptian and other long-staple cottons imported into the United States should be levied by Congress.

Resolved further, That our Senators and Representatives in Congress are hereby earnestly requested to use all honorable means to accomplish this end.

Be it further resolved, That the secretary of state is hereby requested to furnish each of our Senators and Representatives in Congress with a certified copy of this memorial.

STATE OF FLORIDA, *Office of the Secretary of State, ss:*

I, H. Clay Crawford, secretary of state of the State of Florida, do hereby certify that the foregoing are true and correct copies of memorials to the Congress of the United States as passed by the legislature of Florida, sessions 1899 and 1905, respectively, as shown by the original enrolled resolutions as filed in this office.

Given under my hand and the great seal of the State of Florida, at Tallahassee, the capital, this the 11th day of November, A. D. 1908.

[SEAL.]

(Signed)

H. CLAY CRAWFORD,
Secretary of State.

Mr. CLARK (continuing). On the 25th day of November, 1908, in response to a call therefor, a convention of delegates representing the sea-island cotton growers of Georgia and Florida met in the city of Lake City, in the State of Florida, to consider this matter. I am told that fully 200 sea-island cotton growers from the two States were present, and the result was the appointment of a committee to appear here to present their cause to this committee. These gentlemen so appointed are now here.

In addition to sending representatives here, the convention adopted certain resolutions, which are as follows:

In convention of the sea island cotton growers of Georgia and Florida held at Lake City, Fla., this the 25th day of November, 1908, the growers of cotton finding, after years of experience, that Egyptian cotton without a tariff on it, on account of the cheap labor of 8 or 10 cents per day required to produce said Egyptian cotton, is injuring the interest of the sea island cotton growers by placing the value or selling price of his cotton below the cost of production, which at present is from 22½ to 24 per pound, and thereby jeopardizing the industry and output of the yield of sea-island cotton necessary for the world's consumption and needs: Therefore be it

Resolved, That a committee of four from Georgia and four from Florida be elected to meet the Ways and Means Committee at Washington, December 1, and ask that a tariff of 10 cents per pound be placed on Egyptian cottons.

Resolved further, That it is the sense of this convention that we want our American industries protected and that we want the producer to share equally in such protection with the manufacturer.

Resolved further, That Hon. Harvie Jordan, president of the Sea Island Cotton Association, and Hon. C. S. Barrett and Hon. R. F. Duckworth, of the

Farmers' Educational and Cooperative Union, be requested to cooperate with any committee selected by this meeting.

Mr. CLARK (continuing). With the permission of the committee I will now read an article appearing in the Florida Times-Union on November 25, 1908, over the signature of Maj. Alex St. Clair Abrams, one of the ablest lawyers and one of the most brilliant men in all the South, and who has had a great deal of experience with relation to cotton. It is as follows:

THE COTTON QUESTION.

JACKSONVILLE, FLA., November 23.

EDITOR TIMES-UNION: In view of the early meeting of the cotton growers of Florida, at Lake City, I trust they will appoint a committee to proceed to Washington and appear before the committee charged with the work of preparing a revision of our tariff laws, and insist upon a tariff being levied on all cotton imported into the United States.

As is well known, I have always been a Democrat of the school of the late Samuel J. Randall, of Pennsylvania. I believe in protecting American products and industries, and while it may be true, and doubtless is, that some of the schedules in the Dingley bill are unreasonably high, nevertheless it seems clear to me that the principle of protection has enormously added to the development and prosperity of the country.

When the Dingley bill was before the Congress, I went to Washington for the purpose of aiding, however feebly, in the work of obtaining protection for Florida fruits, vegetables, and cotton. Unfortunately, the Democratic policy was hostile to protection, and but little could be accomplished. The tariff put upon vegetables, oranges, and pineapples was wretchedly inadequate, and still is, while the idea of putting a tariff on cotton was generally ridiculed. As a result we have been importing, on the free list every year, from \$12,000,000 to \$15,000,000 worth of Egyptian long cotton, while more than half the time, by reason of this competition, the Florida, Georgia, and South Carolina growers have not been able to raise it profitably. While this cotton has been admitted free of duty, thread and fabrics made from long cotton have been heavily protected and the manufacturers have reaped large harvests, while the growers have either made bare livings or suffered loss.

Aside from any question of principle, it is clear that with a deficit of over \$50,000,000 there can not be much reduction in the existing tariff, and now that the bill is being revised, our representatives in both Houses should insist on a tariff on cotton of at least 5 cents per pound and 50 per cent ad valorem.

I know of my own knowledge that for years in Alachua, Baker, Columbia, Bradford, and other counties in which long cotton is raised the majority of the growers were always heavily in debt and their property mortgaged to merchants and factors.

I have given the matter much thought and feel sure that if when the Dingley bill was passed a tariff had been imposed on cotton, as suggested by me, that it would by this time have added 100,000 souls to the population of Florida and increased output at least \$5,000,000 or \$6,000,000 per annum, besides affording a reasonable profit to the growers.

From a remark made by the committee to Mr. Chase, representing the fruit growers, I see that the South is being met with the same rebuke I met with from Mr. Dingley, whom I saw personally in my effort to get a tariff on cotton. He asked me if the tariff was put on cotton would the Florida Representatives vote for his bill. I told him that I could not answer for that, but that probably they would not. He replied to me as follows: "Mr. Abrams, it would make no difference to me whether a Member of Congress was a Democrat or a Republican if he favored the protection of American industries and production, but when you gentlemen come to us and ask us to put a tariff on your productions, and at the same time send Representatives to both Houses to oppose protection and to vote against protective measures, your people can not find fault if we take you at your word and decline to give you the protection which you secretly ask and publicly oppose." I have given his language as near as I can recall it after so many years, but I do not hesitate to say that there was much force in what he said.

The western and eastern sheep owners are amply protected from foreign wool by the tariff placed thereon. I can see no reason why the southern grow-

ers of cotton who have to produce a staple at much greater cost and labor than the growing of wool on sheep's back should not also be given protection; and rather than not have it, I think every Representative in both Houses from Georgia, South Carolina, and Florida should vote for the revised tariff bill, no matter if some of the schedules are, in their opinion, unreasonably high, provided we obtain adequate protection for our industries and productions.

American producers, whether black or white, can not compete with Egyptian growers who pay 6 or 8 cents per day for labor and whose lands in the valley of the Nile are annually fertilized by nature by the annual overflow of the valley by the river. So, likewise, we can not compete with the West India pineapple and citrus growers for the same reason.

I therefore trust that a vigorous and successful effort will be made to get the committee to impose a tariff on cotton. And just here I want to remind those interested in obtaining it that the tariff should be imposed on cotton in general, so as to avoid all technical questions that may arise to what is or is not long cotton. The Egyptian cotton is not as long as our sea island cotton, and unless the tariff is placed on cotton without designating it long or short there will be danger of contests by the manufacturers who are anxious to import the staple free of duty, while they are amply protected in the articles they manufacture, and as a result of such protection keep the price of their productions just as high as it had ever been.

If we can obtain this tariff, I feel confident that within ten years the increased production of cotton in Florida will add 150,000 souls to our population and increase the value of our lands in the counties producing the staple from \$25,000,000 to \$50,000,000.

The committee in Washington will take up the cotton question on the 1st of December, and it seems to me that the board of trade, as well as the Lake City convention, should take immediate measures so that Florida may be well and thoroughly represented before it.

ALEX. ST. CLAIR-ABRAMS.

Mr. CLARK (continuing). In addition, along this line, I beg permission to say, Mr. Chairman, that when I came here to Congress for the first time I came here through a long-drawn-out primary election contest, in which there were four other candidates, and in that contest from every stump I openly and publicly promised the people that, if chosen, I would use every legitimate and proper effort to secure the duty on cotton for which I am now before you contending. My election, then, by quite a large majority and my return twice since then without opposition clearly establishes, in my opinion, the wishes of my constituents on this subject.

During the present year, in a hotly contested primary election for United States Senator from Florida, the Hon. Duncan U. Fletcher was chosen by a large majority, and Mr. Fletcher announced himself on this subject as favoring exactly what I stood for four years ago.

Having, I feel, established that the people of Florida desire the asking here made, I now invite your attention to existing conditions, upon which we base our insistence.

When I mention "sea island" cotton I refer to that cotton which is of very fine texture, of quite lengthy staple, and, so far as I am advised, is only grown in this country in portions of South Carolina, Georgia, and Florida. I am aware of the fact that in certain parts of Mississippi, Louisiana, Arkansas, and Texas they grow a cotton of longer staple than the ordinary "short" cotton which is common to practically all of our southern territory, and that this cotton is ordinarily referred to as "long staple" cotton, but it is not the sea island cotton of South Carolina, Georgia, and Florida.

The best quality of our sea island cotton is grown on the islands near Charleston, S. C., and the staple of this cotton is from about $1\frac{1}{2}$ to $2\frac{1}{4}$ inches in length.

I believe it is generally conceded that our Florida sea island cotton ranks second in texture and the staple runs from 1½ to 2 inches in length. The Georgia sea island cotton comes third, there really, being, however, as I am informed, no very great difference in texture or length of staple between sea island cotton grown in the three States, under similar conditions, as to the selection of seed, planting, cultivation, and harvesting.

This sea island cotton of the three States mentioned, and in the interest of which we are asking a duty on imported long-staple cottons, is used principally in the manufacture of laces, thread, mercerized silks, plushes, velvets, velveteens, curtains, table covers, and other goods of the finest character. Not 10 per cent of our sea island cotton or imported Egyptian cotton is made into thread.

The total quantity of cotton such as we contend is a competitor of our sea island cotton in the markets of the United States consumed in this country for the year ending August 31, 1908, was as follows: Ninety-two thousand eight hundred and fifteen bales of Egyptian cotton, 12,061 bales of Peruvian cotton, 6,405 bales from British West Indies.

I have ascertained from Census Bulletin 97, released for use on November 9 of the present year, that the net quantity of cotton imported into the United States during the year ending August 31, 1908, was 140,870 bales of 500 pounds each, and that of this amount 122,170 bales, or 85 per cent of the entire importation, was of Egyptian growth.

I am informed by Director of the Census North that the total importation of what is known under the generic term of long staple cotton into the United States for the present year amounts to 71,072,855 pounds, of the value of \$14,472,241. Of this amount there came into this country from Egypt 58,356,306 pounds of long staple Egyptian cotton of the value of \$12,287,460. This cotton came into the United States free from duty, and competed with the sea island cotton of South Carolina, Georgia, and Florida in the markets of the United States.

The quality of Egyptian cotton, known in that country as the Joanovich variety, is constantly improving in quality, owing to the improved methods of seed selection, as well as more modern methods of planting, cultivating, and harvesting. This variety of Egyptian cotton is the particular cotton which is the most dangerous competitor of our sea island cotton which has yet come into the American market.

In this connection the committee should consider that within less than three years after the proposed tariff revision bill goes into operation the area for the growth of cotton in Egypt will be vastly extended. This will be due to the completion of the work of raising the Assouan dam in the Nile in Upper Egypt. It is proposed to raise this dam 23 feet, and will require an expenditure of \$7,500,000.

Concerning this proposed improvement, which is to be made solely for the benefit of cotton culture in that country, I desire to call the attention of the committee to some statements appearing in the Egyptian Gazette, which item I have taken from the "Daily Consular and Trade Reports" of the Department of Commerce and Labor, No. 2908, dated June 29, 1907, as follows:

The result of the work will have an important bearing on the cotton crop. The area under cotton in 1906 is given as 1,506,290 acres. Taking the present

cotton crop at 6,750,000 kantars (a kantar equals 100 pounds), the average yield per acre works out to $4\frac{1}{2}$ kantars. The area under cotton in Lower Egypt alone is 1,260,107 acres, this representing about 40 per cent of the total cultivated area in that division of the country. The whole of this area being perennial irrigation is cotton bearing. These figures indicate, therefore, that on an average cotton is grown on the same land two years out of five. The area under cotton in Upper Egypt is given as 246,183 acres. This represents only a small proportion of the cultivated area, less than half the latter being under perennial irrigation. Moreover, the climatic conditions south of Assiout are unfavorable for growing cotton. In order to ascertain to what extent the cotton-bearing area is susceptible of expansion, we assume that the whole of the basin lands in the northern half of Upper Egypt will be brought under perennial irrigation, and that the uncultivated portions in both Upper and Lower Egypt will ultimately be reclaimed. The cotton-bearing area will then extend over some 5,600,000 acres (being the total of 6,387,100 acres given above, less about 800,000 acres south of Assiout). On the basis of 40 per cent acreage per annum and a yield of $4\frac{1}{2}$ kantars per acre, this area might produce an annual cotton crop of about 10,000,000 kantars. It is to be observed that a considerable portion of the land at present under cultivation is being improved, which will, without doubt, contribute to raise the average yield per acre. On the other side must be set the consideration that last year's crop was so favored by a good Nile and satisfactory climatic conditions as to raise the average yield above the level of recent years. Of the total of 10,000,000 kantars, no more than 7,000,000 kantars would consist of the Mitafifi, Abassi, and Yoannovitch varieties, for which the delta is famous, the remaining 3,000,000 kantars representing the lower-grade cotton produced in Upper Egypt. Lord Cromer, in discussing these figures, remarks in his report for 1906:

It will, of course, be understood that this crop of 10,000,000 kantars can not be produced until both the supply of water has been largely increased, either by raising the Assouan dam or by some other means, and until reclamation works on a large scale have been executed in Lower Egypt. Sir William Garstin, probably the highest authority on the subject, says: "I do not think that 10,000,000 kantars as an eventual yield for the Egyptian cotton crop is at all an impossible figure, but it will take many years to arrive at—probably ten or fifteen."

The Egyptian cotton crop might conceivably receive a still greater extension in course of time from two further sources, namely, the reclamation of the lakes in Lower Egypt and the development of the oases (reclamation of Lower Egypt is the Khedive's especial project). The former, if ever carried out, would add some 800,000 acres to the cultivated area and a further 1,500,000 kantars to the cotton crop. The latter is at present too problematical to permit of any estimate being made of the possible results.

It will be observed that it is the intention to complete the dam mentioned and bring this vast additional territory into cultivation for cotton about the year 1912. As it is hardly possible that another revision of the tariff will take place for ten, fifteen, or possibly twenty years, it will at once be seen what the completion of the dam will mean for the cotton growers of sea-island cotton in this country unless they are given the benefit of a duty upon their competitors from abroad. The fact is, that no sea-island cotton can be raised in this country.

The South Carolina, Georgia, and Florida sea-island cotton growers can not begin to compete with the long-staple cotton growers of Egypt and other foreign countries. In the first place, the lands in Egypt produce, without fertilization, about 450 to 500 pounds of lint cotton per acre, whereas our sea-island cotton-growing lands in the State of Florida will not produce one-third so much without fertilization.

In the second place, it is utterly impossible to employ labor on a farm in the State of Florida for less than \$25 to \$30 per month for men and at least \$15 per month for women. This is the lowest possible figure, and farm labor is exceedingly scarce at those prices.

This condition exists because of the fact that the turpentine farms, phosphate plants, lumber camps, and other like places where labor is in demand in our State are anxious to secure hands at from \$1.25 to \$2.50 per day.

My information is that farm labor in Egypt in an abundant supply can be obtained anywhere from 10 cents to 20 cents per day for able-bodied men. The committee, on this statement of fact, will have no difficulty in determining at once how serious a condition threatens the sea-island cotton industry in the United States.

I have not taken the time to closely investigate, but I am under the impression that an investigation of the present tariff schedules will show that every article of cotton manufacture imported into this country is dutiable, thus benefiting the American manufacturer of cotton goods of whatever description and leaving the grower at the mercy of the pauper labor of Egypt. He sells in markets that are free and there meets with his product the competition of the world and buys in a protected market and thus pays a large tax on every article he produces, although such article may be manufactured out of his own product.

The grower of wool in the west is protected against the cheap labor engaged in the growing of wool in foreign lands by a duty on all importations, and his sheep graze on the public lands. He is thus twice favored by the Government.

The Republican party, which is now in control of every department of the Government, and which through its representatives will frame the intended revision of the tariff, declared in the twelfth resolution of its platform, in 1860, that that party was in favor of "that policy of national exchanges which secures for the working-men liberal wages, to agriculture remunerative prices, to mechanics and manufacturers a reward for their skill, labor, and enterprise, and to the nation commercial prosperity and independence." I invoke that declaration of more than forty-eight years ago now in the interest of "agriculture" in my section of the country. If, Mr. Chairman, your party has benefited, protected, and cared for the artisan and the manufacturer, you have not fostered, cared for, and protected the agricultural interests of the country in its different forms.

In view of the facts which we have been enabled to put before this committee, I shall insist that the committee owes it to those engaged, and who desire to further engage in the cultivation of sea-island cotton in this country, to place a duty upon Egyptian cotton, and all other cottons grown in foreign lands, of such texture and length of staple as to make them competitors in the American markets with our sea island cotton, of at least 10 cents per pound on lint, and at least 4 cents per pound on all such cotton in the seed. This, in my judgment, would not be a prohibitive tariff, but in its operation would produce revenue for the Government, and at the same time would, in a measure at least, equalize the difference between the cost of production in such countries as Egypt and in this country, and would give to our people at least an even chance in their own markets. We are not asking any special favors, Mr. Chairman; we are not insisting upon any privileges being granted to us that are not granted to the remainder of the citizenship of this country, but we do believe that when we toil in the sun of a semitropical climate for twelve months in the year to produce a crop of cotton, and when everything we pur-

chase for our own consumption, even if manufactured from the identical sea-island cotton which our sweat and toil has produced, we are forced to bear the burden of paying the price increased by the addition of a tariff, that we should at least be permitted to enter, with the article which we produce, the markets of our own country upon an equal footing with Egypt and the West Indies, conscious that we are asking nothing but that which our patriotic fellow-citizens of this committee, with full knowledge of the facts, will gladly accord us; I submit to this committee the case of my constituents.

I do not think I care to add anything else unless the committee desires to ask questions.

Mr. UNDERWOOD. Are you to be followed by some other, who raise this cotton?

Mr. CLARK. Yes. I could not give you anything with reference to the practical raising of the cotton. We have some practical men who can give you all the information along that line that you desire.

Mr. BOUTELL. The total importations of this long-staple cotton you gave in round figures at 71,000,000 pounds?

Mr. CLARK. Yes.

Mr. BOUTELL. What is the present domestic production?

Mr. CLARK. About 80,000 bales, I should say. It will run about 300 pounds to the bale. Sea island cotton runs 300 pounds to the bale; that is the standard bale.

Mr. BOUTELL. How many pounds would that make of the domestic product as against the 71,000,000 pounds imported?

Mr. CLARK. Well, that is 80,000 bales, 300 pounds to the bale. I would have to figure it up. It would be about 24,000,000 pounds, I think.

Mr. BOUTELL. Twenty-four million pounds of the domestic product?

Mr. CLARK. As against 71,000,000 pounds imported?

Mr. BOUTELL. Yes, sir.

Mr. GAINES. Practically one-third?

Mr. CLARK. Yes, sir; just about.

Mr. DALZELL. Do you not think that this tariff you are asking for is what Mr. Cockran would call a tariff on apprehension?

Mr. CLARK. I do not know what he would call it.

Mr. GAINES. It is the Assouan Dam that is troubling you, is it not?

Mr. CLARK. No; the Assouan Dam has troubled us to some extent, but the importation free of duty of 85 per cent of the long cotton consumed in this country is what is troubling us now.

Mr. HILL. You are not able, of course, to anywhere near supply the demand, even if all the land used for the growing of this cotton in the United States were in use?

Mr. CLARK. I don't know about that, Mr. Hill. When I first went to Florida they were growing long staple cotton down on the peninsula below Tampa, and there is not a pound grown now in any but 17 of the 45 counties of Florida. My opinion is that if it were profitable to grow sea-island cotton in Florida we could, in connection with the sea-island growing belt of Georgia and the islands of South Carolina, supply the demand in America for this class of cotton.

Mr. HILL. Why not? Do you not get more for it now than you ever have before?

Mr. CLARK. I could not tell you that, but I know labor has increased.

Mr. HILL. You mean the demand has increased and your domestic supply has not increased?

Mr. CLARK. No; I say labor has increased.

Mr. HILL. Oh, labor?

Mr. CLARK. I say labor has increased so much and the cost of living has increased so much that it is impossible to raise it now.

Mr. HILL. What is the cost per acre of that land on which that cotton is grown on the sea islands, on an average?

Mr. CLARK. I should say \$25 an acre.

Mr. HILL. Do you think you would require a duty to protect the product of land worth \$25 an acre against products grown on land worth \$200 or \$300 or \$400 or \$500 an acre?

Mr. CLARK. I do not mean land that has been cleared and put in a thorough state of cultivation. I mean you can buy it for that now, but after you put it in a thorough state of cultivation it would probably be worth from \$50 to \$100 an acre.

Mr. NEEDHAM. Do you think there is sufficient area in the region spoken of, if cultivated, to supply the American demand for this cotton?

Mr. CLARK. I think we could supply it if we could raise it profitably.

Mr. NEEDHAM. You spoke of the area being limited to three States——

Mr. CLARK. You can raise this cotton, I think, in every inch of the State of Florida; certainly from the Suwanee south. That would be two-thirds of the State.

Mr. NEEDHAM. Then you think the area is practically unlimited there in which you could raise this cotton?

Mr. CLARK. No; I would not say it was unlimited. I say the area is quite large in Florida.

Mr. UNDERWOOD. I suppose the value of the domestic long-staple cotton has followed to a large extent the value of the imported cotton, has it not?

Mr. CLARK. I could not tell you about that, Mr. Underwood. These gentlemen who handle cotton and deal with it, and all that, can give you that practical information better than I can give it to you.

Mr. UNDERWOOD. I notice here in the Treasury reports that the value of the imported article in 1894 was a little over 10 cents; in 1895 it was 9 cents; in 1896 it was 12 cents; in 1897 it was 11 cents; in 1898 it was 9 cents; in 1899 it was about 10 cents; in 1900 it was 12 cents; the same figure in 1901; in the next year 12 cents; in the next year 14 cents; the next year 17 cents——

Mr. CLARK. What year was it 14 cents?

Mr. UNDERWOOD. That was in 1903.

Mr. CLARK. Yes.

Mr. UNDERWOOD. In 1904 it was 17½ cents; in 1905 it was 15 cents; in 1906 it was 15 cents; in 1907 it was 19.9 cents. So that there has been a constant rise in the price of cotton, a constant rise in the price of the domestic product, notwithstanding the importations that have come in.

Mr. CLARK. No——

Mr. UNDERWOOD. That is what these figures show.

Mr. CLARK. There was a rise in cotton last year, Mr. Underwood, because our people, the long-staple cotton growers—to be perfectly frank

with this committee—became so absolutely tired of selling their cotton at a loss that they got together and decided they would hold their cotton until they could get a better price for it, and that is the reason it went up last year. Some of the local people decided to stand by them financially and enable them to hold it, which they did. But of course they can not do that always. That would be a losing fight in the long run.

Mr. UNDERWOOD. But, outside of last year, there has been a continual increase in the imported cotton from 1894 from something like 10 cents to 15½ cents.

Mr. CLARK. Yes; the price now in the market is some 17 or 18 cents.

Mr. RANDELL. The increase in this cotton has not been nearly as much in per cent in the other grades of cotton?

Mr. CLARK. No, sir; it has not.

If you will permit me to say one word more, I would like to do so. I am here insisting upon this proposition. If the tariff schedule is to be maintained and duties to be levied on every single solitary thing on the face of the earth which is manufactured from this long staple cotton, and the manufacturer is to be protected, if it is a good thing for him, why is it not a good thing for the man who toils in the sun and grows it, and furnishes the long cotton to the manufacturers?

Our people, in other words, are tired of selling our stuff absolutely in competition with the pauper labor of Egypt, and every time our wives buy a little of this artificial silk that has been exhibited this morning, we pay an enormous tax—and we are buying our own goods, made from the product of our own soil.

That is the whole question in a nutshell as I see it, and that is why I am presenting this case in behalf of my constituents.

Mr. HILL. You ask a duty on cotton generally, without any particular reference to long staple cotton?

Mr. CLARK. No; I do not.

Mr. HILL. I thought you had in the past.

Mr. CLARK. No, sir; I have not. That is a mistake. We have a monopoly as against the world in short cotton; we do not need any protection.

Mr. BOUTELL. Right in that connection, Mr. Clark, you have gone thoroughly and intelligently into this question of the growth and supply of cotton in the different parts of the world. The question that Mr. Hill asked suggests whether you have in your investigation found out what progress is being made by the English, German, and French manufacturers, statesmen, and economists in attempting to solve the problem of growing their own staple in their own colonies or possessions.

Mr. CLARK. Well, I have not any information sufficient to give this committee. I only know in a general way that that is true.

Mr. BOUTELL. You know that they are making great efforts in that direction?

Mr. CLARK. Yes.

Mr. BOUTELL. And spending large sums of money?

Mr. CLARK. Yes.

Mr. BOUTELL. Now, you have given an illustration of what can be done by the growers of long staple cotton in foreign countries with the cheap labor. Suppose that Great Britain and Germany and

France should solve this problem of producing their own staple entirely, in India, Egypt, and the French possessions in Africa. Then we would be brought face to face—perhaps it will be the framers of the next tariff—with the problem, first, of protecting our growers of short cotton against this Hindoo and African labor; and, second, with the more important problem of using our own staple in our own American factories.

MR. CLARK. Yes, sir.

MR. BOUTELL. Well, if there should be at any time a falling off in the foreign demand for the raw cotton, in order to utilize it and continue the value of the raw cotton, we must manufacture it here at home, must we not?

MR. CLARK. Yes; that is the way I view it, sir.

MR. BOUTELL. And if that time should approach with a falling off of the foreign demand for our cotton, increasing domestic demand for our cotton, it will make a very largely increased spread of the manufacturing of cotton in the South, will it not?

MR. CLARK. There is no doubt about it in the world, sir.

MR. BOUTELL. If these foreign manufacturers of cotton should produce all of their own staple, we could by broadening our manufacture here still absorb our entire domestic crop?

MR. CLARK. Surely, yes. Now, I will let these other gentlemen speak.

MR. HILL. You acknowledge the ability of the South to compete with the rest of the world in short-staple cotton?

MR. CLARK. Yes; I think so.

MR. HILL. But claim that they can not compete in the long staple cotton?

MR. CLARK. Yes, sir.

MR. HILL. Are you not aware of the fact that labor in India and China, where short staple cotton is produced, and more particularly India, is much lower than it is in Egypt?

MR. CLARK. I understand that, but they have not been able yet to produce cotton that competes with us in what we call short cotton.

MR. HILL. Then it is a question of quality between India cotton and cotton in the Southern States, and not a question of price?

MR. CLARK. Well, of course the quality controls prices very largely, I think, in everything. I think it is always a question of quality. It is so in the case of men, animals, and goods.

MR. COCKRAN. As I understand it, your position is that if there were a general freedom of trade cotton would be willing to take its chances with the rest, but when every other industry levies upon cotton, cotton wants a chance to levy back upon others?

MR. CLARK. Mr. Cockran, representing my constituency, I want to say this: We are American citizens. I think every State in the Union is represented in my district by some citizen who has transferred his residence down there. We are willing to take our chances with the American people in any plan or scheme of taxation adopted by them. If it is considered best to remove all the duties from cotton goods and leave cotton free, we will take our chances with the rest; but if these duties are to remain we want our interests taken care of, along with those of the other sections of the country. That is the way I think our people view it.

MR. COCKRAN. That is precisely as I understood.

STATEMENT OF JOHN W. HATCHER, OF LAKE CITY, FLA., WHO
ASKS FOR A DUTY ON RAW COTTON.

TUESDAY, *December 1, 1908.*

Mr. Chairman and gentlemen, I am up here in the interest of the cotton grower, to take this matter up and explain as best I can in detail as to the true condition of our cotton, so far as our cotton is concerned.

I can say I have probably raised as much cotton as anyone in Florida, any one individual. I rather think I have made more, and no doubt have farmed as nearly in a scientific way as any man in that country. My farms are considered fairly good, probably as good as there are in the State.

I want to say that I have made a failure in our product. It has got to such conditions, on account of the high price of labor, that the raising of this cotton is now an absolute failure.

The true conditions of the country have been that we have raised our cotton with our family, with free labor, as we might say. In other words, you see, it is raised by a very cheap labor; but you go at it from a business standpoint and you find you can not raise it. I am a failure. I have had to quit it, almost. I have tried it; I have bought it, I have raised it, I have produced it, I have sold it, and I have lost the better part of my life trying to get a living out of it.

So I would like to give you the figures, and I will endeavor to be conservative, because I do not want to overestimate anything. I simply want to give you the real facts as I know them from my experience.

Take the average cost that we find here. We find it costs on the average, in my country, \$21.50 an acre to cultivate and gather the crop on 1 acre. I have made it on an acre basis. I have made this calculation.

For rent of land it would cost \$3 an acre; for preparing and cultivating, \$10 per acre; for picking, \$5 per acre. We pay \$1.25 per hundred as a standard price for our gathering. For fertilizer, \$3.50 an acre. That is about the average with us. I am sure that the average planter does not raise exceeding 400 pounds to the acre, the average. It takes an acre to make 100 pounds of lint on the average, or almost so; that is, approximately so.

If there is any question as to the price, as I have been buying and handling cotton for twenty-odd years, if there is any question for information you would like to ask, I would be glad to give you a slight history of the business.

The CHAIRMAN. What class of labor do you come in competition with in the Old World?

Mr. HATCHER. Well, we suppose that cheap labor is the reason we are appealing to you, because we can not compete from a business standpoint.

The CHAIRMAN. Is it not a fact, which has been stated here day after day, that while labor costs less per day over there, that our labor is so much more efficient that really our labor is cheaper here for a pound of cotton, when it comes to raising it and picking it, than it is over there? That has been asserted here as the fact time and time again. What do you think about that?

Mr. HATCHER. I am not familiar with that fact. I know from a business standpoint it is impossible to grow sea-island cotton to make it profitable. Of course we raise some. We raise it with our families, which is cheap labor, and we would have "busted" years and years ago if we had not done that. It is utterly impossible to raise it at present prices of production.

The CHAIRMAN. I am not quite sure of what I have stated, whether it is a fact or only a theory.

Mr. HATCHER. I do not know whether it is a fact as to Egyptian conditions; I am not familiar with them.

The CHAIRMAN. But you do know that competition comes in and the cotton comes in?

Mr. HATCHER. Yes; the Egyptian cotton, as I understand it——

The CHAIRMAN. They ship cotton, and you are afraid they will ship more?

Mr. HATCHER. Yes; we are afraid they will ship more; and they have driven us out, so we can not make it, only in the way I have said. People that have children utilize them to work in the cotton fields.

The CHAIRMAN. Are you in favor of making up a tariff bill that would guard against possible consequences in the future, so that if you see any cotton or other article abroad that you think is liable to compete with an article raised here or manufactured here that you will be willing to go ahead and put on sufficient protection in order to be sure to protect it?

Mr. HATCHER. Yes.

The CHAIRMAN. I do not refer to cotton especially, but anything else.

Mr. HATCHER. Yes; I really do. I am a Democrat protectionist. [Laughter and applause.]

The CHAIRMAN. You are a real protectionist?

Mr. HATCHER. Yes.

The CHAIRMAN. And a high protectionist. Your name has been given to me with the prefix honorable. Do you hold any official position?

Mr. HATCHER. None whatever.

The CHAIRMAN. Have you ever held any?

Mr. HATCHER. None.

Mr. UNDERWOOD. Is there any short staple cotton grown in Florida?

Mr. HATCHER. A limited amount.

Mr. UNDERWOOD. Do you know anything about raising short staple cotton?

Mr. HATCHER. Yes, sir.

Mr. UNDERWOOD. Do you raise any?

Mr. HATCHER. Only in a limited way.

Mr. UNDERWOOD. What is the difference in the cost of raising short-staple cotton and raising long-staple cotton?

Mr. HATCHER. The main difference is in the picking.

Mr. UNDERWOOD. Then you think all the other items of cost except the picking are the same in the one case as in the other?

Mr. HATCHER. Very nearly the same; yes, sir.

Mr. UNDERWOOD. How much do you estimate the cost of picking the long-staple cotton is?

Mr. HATCHER. One dollar and twenty-five cents a hundred.

Mr. UNDERWOOD. Five dollars an acre. Now, are the people going on raising short-staple cotton in Florida?

Mr. HATCHER. In certain localities they can not raise long-staple cotton. There are only about seventeen counties in Florida where it is grown at present.

Mr. UNDERWOOD. You can raise short cotton on the same ground that you raise long-staple cotton on, but you do not?

Mr. HATCHER. Yes; but it does not do well. That locality is not adapted to short cotton at all.

Mr. UNDERWOOD. How much more does it cost to pick long-staple cotton than it does to pick short-staple cotton?

Mr. HATCHER. It costs us 75 cents a hundred more.

Mr. UNDERWOOD. So the only additional cost in raising long staple cotton over what it costs to raise short staple cotton is 75 cents a hundred for the picking?

Mr. HATCHER. The only difference we have there; yes.

Mr. UNDERWOOD. That is what I am talking about.

Mr. HATCHER. It would be the same fertilizer and the same labor required, except as to the picking.

Mr. UNDERWOOD. Your price for long staple cotton is about twice what they get for the short staple cotton?

Mr. HATCHER. No; it is not, now.

Mr. UNDERWOOD. Did you not last year get nearly 20 cents for your long staple cotton?

Mr. HATCHER. Yes; we got all the way from 12 cents to 18 cents.

Mr. UNDERWOOD. Last year the long staple cotton sold for 20 cents a pound and the short staple cotton sold for about 12 cents a pound.

Mr. HATCHER. How was that?

Mr. UNDERWOOD. Last year you got 20 cents a pound for your long staple cotton?

Mr. HATCHER. Yes, sir.

Mr. UNDERWOOD. And you got 11½ or 12 cents for your short staple cotton?

Mr. HATCHER. Somewhere along there; I do not keep up with that.

Mr. UNDERWOOD. You made \$8 more profit on your long staple cotton when you sold it than you did for your short staple cotton—

Mr. HATCHER. Excuse me one second. I can set you clear. The average price last year was less than 17 cents for sea island cotton.

Mr. UNDERWOOD. The average price of short staple cotton last year was about 9 cents, was it not?

Mr. HATCHER. I don't know; I am not familiar with it, I assure you.

Mr. UNDERWOOD. But, at any rate, you get from \$7 to \$8 more for your long staple than you do for your short-staple cotton?

Mr. HATCHER. Yes, sir.

Mr. UNDERWOOD. And, according to your own statement, the cost of it is only 75 cents a hundred more.

Mr. HATCHER. In our neighborhood there.

Mr. UNDERWOOD. Only 25 cents a hundred on the lint; it only costs you 25 cents a hundred on the lint more to raise the long-staple cotton than it does the short-staple cotton, and you get from \$7 to \$8 a hundred pounds more for your long-staple cotton. Is not that so?

Mr. HATCHER. Yes, sir; I guess it is.

Mr. UNDERWOOD. And yet you say that the short-staple men can go out and compete in the markets of the world and need no protec-

tion, and the long-staple man, who is making \$7 or \$8 more a hundred pounds for his cotton, needs a wall of protection to protect his industry. Can you explain that?

Mr. HATCHER. We have only a limited territory, though, where we can raise that grade of cotton, and we down there are handicapped under the present conditions; we feel like we are a failure. We raise a little cotton, it is true——

Mr. UNDERWOOD. Is not this really the condition, that you have seen some of your neighbors in Florida have a lemon protected to a point where they could make a great deal more for lemons than the ordinary people engaged in agriculture, and an orange protected so that they monopolize the American market, and living so close in contact with that system of hot-house development have not the cotton men in your neighborhood acquired the taste and desire to join the gang? Is not that about the fact?

Mr. HATCHER. Let me give you my experience in it. I have been working in this matter for about twenty-five years, and it has been a very unsatisfactory business. Our people are educated in this business and accustomed to it, and that is about all we know. It is our main occupation and livelihood, and we realize that we are being injured by the importation of other cotton, this cotton that comes almost directly in competition with us. The Egyptian cotton is only a shade lower than ours. I had occasion to visit numbers of sea-island mills, and I went there with a view of trying to change the existing conditions, but the information I got there was that they use this Egyptian cotton. While it is not quite as good as ours, they can mix it with our cotton, and it keeps our product down. We feel our product is worth more, under any ordinary conditions, than we are receiving for it.

Mr. UNDERWOOD. You were raising long leaf staple cotton fourteen years ago?

Mr. HATCHER. Yes; twenty-five years ago.

Mr. UNDERWOOD. And you were competing and surviving under the competition then?

Mr. HATCHER. Yes.

Mr. UNDERWOOD. You have gone on producing it year after year for the last fourteen years?

Mr. HATCHER. Yes.

Mr. UNDERWOOD. Each one of those years the price of cotton has been going up until it has increased from 10 cents, which was the price in 1894, to 20 cents, which was the price in 1907; and after your price has increased from 10 to 20 cents, doubled in price, you suddenly wake up to the fact that you can not compete in the markets of the world without protection. Is not that the condition?

Mr. HATCHER. The trouble is the labor conditions. The time has been when I could raise cotton. I can not do it now, as I have told you, at a profit. I have always run my farm in a way so that I always reduced it to piecework. Very few have done it. I have always known exactly what it cost me. I really know what it costs me to produce cotton, and I assured the people I raised it for 12 cents a pound, sea-island cotton, fifteen years ago. But our labor conditions cost three times that; labor is very scarce and very high, and we can not, under the present conditions, stay in this cotton business without some relief.

Mr. FORDNEY. Thirty-five years ago your land did not cost you \$25 an acre, as it does now?

Mr. HATCHER. No; it did not.

Mr. FORDNEY. What did it cost you then?

Mr. HATCHER. It cost about \$1.25 an acre then.

Mr. FORDNEY. So there is some difference in the cost of production, taking in consideration the value of the land to-day as compared with what it was worth twenty-five years ago and the cost of labor to-day as compared to what it was worth twenty-five years ago?

Mr. HATCHER. Yes, sir.

Mr. FORDNEY. You said, did you not, that short cotton was raised in Florida to a limited extent?

Mr. HATCHER. Yes; in our neighborhood to a very limited extent; that is, in that sea-island cotton belt.

Mr. FORDNEY. You would not attempt to say that you could compete in raising cotton with the Delta territory in Mississippi and Louisiana, where they raise two or three bales of cotton to the acre?

Mr. HATCHER. It would be pretty hard to do that; yes.

Mr. COCKRAN. I did not get that question or answer.

Mr. FORDNEY. I say, with the soil you have in Florida, compared to the rich soil to be found in Mississippi and Louisiana in that Delta country, you could not in any way attempt to compete with that territory in raising short cotton, could you?

Mr. HATCHER. No.

Mr. FORDNEY. Because they raise there three or four times as much cotton per acre, that short cotton, as you do.

Mr. HATCHER. We could not compete unless we had better methods of handling labor than we have now. I don't think we could.

Mr. FORDNEY. Where they raise three or four times as much cotton per acre with the same labor, except the cost of picking, there would be a vast difference in the cost of production, would there not?

Mr. HATCHER. Yes; a great difference.

Mr. FORDNEY. It costs you just as much to cultivate an acre of land where you raise a bale of cotton on it as it does to cultivate an acre of land where you can raise two bales of cotton on it, does it not?

Mr. HATCHER. I think so; yes.

Mr. FORDNEY. And in your territory in Florida it costs you, as you have said, \$3.50 per acre for fertilizer?

Mr. HATCHER. Yes.

Mr. FORDNEY. While in the rich valley of the Mississippi they do not have to fertilize at all, is not that so?

Mr. HATCHER. That is true.

Mr. COCKRAN. I did not get his answer.

Mr. HATCHER. I said that that is correct.

The CHAIRMAN. I want to make another suggestion, and that is that you look at this matter from the view point of your locality; you should not put it on the ground of protection, but a sort of benevolent disposition toward the Treasury of the United States, putting a revenue duty on cotton. I say I throw that out as a suggestion for your future study of the subject, from the view point of your locality.

Mr. UNDERWOOD. I think the chairman's idea is a very wise proposition, that when you come here demanding protection for an industry that evidently does not need protection, you probably can not reach very far in your argument; but as a matter of revenue to take care

of the depleted Treasury and to help out our friends on the other side, you might make a good argument.

The CHAIRMAN. You see how that argument strikes your locality.

Mr. FORDNEY. The gentleman from Alabama undertook to get you to make a comparison of your profits on your short cotton and long staple cotton in your part of the country. The point I am trying to make is that you do not successfully raise your long staple in the territory where short cotton is raised.

Mr. HATCHER. That is correct.

Mr. FORDNEY. So there is no comparison as to that.

Mr. HATCHER. No comparison as to that; no, sir.

Mr. FORDNEY. And are you asking for protection simply because you do not make as much off your long staple cotton as you do off your short staple cotton?

Mr. HATCHER. That is not our object.

Mr. FORDNEY. But because the conditions are entirely different in the different localities? You can not raise short cotton?

Mr. HATCHER. No; we can not raise the short cotton.

Mr. FORDNEY. I am trying to help you out.

Mr. HATCHER. Thank you.

Mr. BOUTELL. Do you not think you farmers of long staple cotton stand in just as good a position as the farmers of sugar cane in Louisiana or the farmers of rice in Texas?

Mr. HATCHER. I really do not know as to their condition, but I do not see why they should not stand some show——

Mr. BOUTELL. You must have read about them.

Mr. HATCHER. Yes.

Mr. BOUTELL. Do they stand any better show than you do? Is there any difference between the farmers of long staple cotton in Florida and the farmers of sugar cane in Louisiana or the farmers of rice in Texas, they asking for a protective tariff? If there is, I would like to know what the difference is. You know, do you not, that there is a protective duty on rice?

Mr. HATCHER. No, sir; I am not familiar with those things.

Mr. GRIGGS. I understood you to say in the beginning that it cost you \$21.50 an acre to grow 400 pounds of cotton?

Mr. HATCHER. Yes, sir.

Mr. GRIGGS. Of sea-island cotton?

Mr. HATCHER. Yes, sir.

Mr. GRIGGS. From which you get 100 pounds of lint?

Mr. HATCHER. Yes, sir; about 100 pounds of lint.

Mr. GRIGGS. What does it cost you to break that land per acre in the spring?

Mr. HATCHER. About \$10 an acre to cultivate it. We have to cultivate that cotton four or five times. It is quite different from raising the short cotton.

Mr. GRIGGS. We do the same thing with our short cotton.

Mr. HATCHER. In that country our cultivation is much more expensive, even with labor as cheap——

Mr. GRIGGS. You use negro labor, do you not?

Mr. HATCHER. No; only in a limited way. We use what we can get hold of. We haven't got enough of it. We have to compete with the turpentine people and the lumber people, and it has made it difficult for us to get hold of labor.

Mr. GRIGGS. You understand the short-cotton people have the same difficulty in southern Georgia?

Mr. HATCHER. Sir?

Mr. GRIGGS. I say, you understand the short-cotton people in southern Georgia have the same difficulty in regard to labor, do you not?

Mr. HATCHER. Yes, sir.

Mr. GRIGGS. You say you plow your cotton four or five times a year?

Mr. HATCHER. Yes, sir.

Mr. GRIGGS. Which is it, four or five times?

Mr. HATCHER. No regular amount; sometimes half a dozen times. It depends on our season.

Mr. GRIGGS. You plow it until you can not plow it any longer?

Mr. HATCHER. Yes, sir.

Mr. GRIGGS. Just as we do with the short cotton. So you do not cultivate it any more times during the year than our short cotton?

Mr. HATCHER. Yes; your plant is shorter lived, and I do not think it requires the amount of cultivation that the long staple does. That is the reason we can not grow the short cotton successfully.

Mr. GRIGGS. Because the short cotton has a shorter life than the long staple cotton?

Mr. HATCHER. Yes, sir. It will not stand the heat.

Mr. GRIGGS. Mr. Hatcher, what did you get for your long cotton last winter?

Mr. HATCHER. This past season?

Mr. GRIGGS. Yes.

Mr. HATCHER. The price ranges from 12 to 21 cents.

Mr. GRIGGS. This season?

Mr. HATCHER. Yes, sir; the average price was about 17 cents.

Mr. GRIGGS. Do you know what the price of short cotton has been this season?

Mr. HATCHER. No, sir.

Mr. GRIGGS. The price of short cotton has been from 8 to 9½ cents this season. That is about one-half the price of your cotton, is it not?

Mr. HATCHER. Yes; near about.

Mr. GRIGGS. Now, then, if we must work short cotton as long as you work yours, which I know to be a fact, because I see fields in my own district side by side and know the people who work them, and we must take one-half the price for our cotton that you get for yours, do you not think we need more protection than you do?

Mr. HATCHER. No, sir; you have not got a commodity, a farm commodity coming in competition the way ours does. That is the ground on which we ask for protection.

Mr. GRIGGS. Is it not true that your land is not suited to the growing of long staple cotton?

Mr. HATCHER. I think it is the only territory in this country that is adapted to it.

Mr. GRIGGS. And you only make a hundred pounds of lint to the acre?

Mr. HATCHER. I mean the average; I am talking of the general average.

Mr. GRIGGS. We would not cultivate land in southern Georgia that we could not make over 100 pounds from.

Mr. HATCHER. You have a better class of farmers, probably, than we have. It is utterly impossible for us to compete and raise cotton for 17 cents, that costs us 21 cents.

Mr. GRIGGS. You use \$3.50 worth of fertilizer, you say?

Mr. HATCHER. Yes, sir.

Mr. GRIGGS. That is about 300 pounds?

Mr. HATCHER. That is about the average.

Mr. GRIGGS. Or 350 pounds to the acre. You manage to get 100 pounds of lint off of it in the year?

Mr. HATCHER. Yes; 100 pounds of lint.

Mr. GRIGGS. Is it not true that land that is adapted to sea-island cotton particularly makes almost, if not entirely, as much to the acre as short cotton?

Mr. HATCHER. I rather think so.

Mr. GRIGGS. Then you think that 100 pounds to the acre, for a short-cotton grower, is good farming?

Mr. HATCHER. For sea island, it is the average farming.

Mr. GRIGGS. I am talking about the short cotton now. You say that land adapted to the growth of long cotton will grow nearly as much, if not equally as much, to the acre as land planted and grown and adapted to short cotton?

Mr. HATCHER. I did not understand the question that way. I was referring to our own locality. I was comparing short cotton to the long cotton in our own locality; I did not understand your question that way. I understood it as applying to our own locality.

Mr. GRIGGS. Then you do not know about that?

Mr. HATCHER. I am not in a position to take up the short cotton end of it, only in a limited way, in my own territory.

Mr. GRIGGS. That is true of my section of the country, because we grow both long cotton and short cotton. You say it costs you \$10 an acre to cultivate it?

Mr. HATCHER. Yes, sir.

Mr. GRIGGS. And \$3.50 for fertilizer?

Mr. HATCHER. Yes, sir.

Mr. GRIGGS. That would make \$13.50. You pay \$5 to gather it; you pay \$1.25 a hundred?

Mr. HATCHER. Yes, sir.

Mr. GRIGGS. That would make \$18.50?

Mr. HATCHER. Yes, sir.

Mr. GRIGGS. What is your other expense?

Mr. HATCHER. Three dollars for land rent.

Mr. GRIGGS. Where do you live?

Mr. HATCHER. I live in Lake City, Columbia County.

Mr. GRIGGS. How much land is there in Columbia County that will sell for \$25 an acre to-day?

Mr. HATCHER. Very little.

Mr. GRIGGS. Then land is not worth \$25 an acre in Columbia County?

Mr. HATCHER. Not all of it. Farming land is worth from \$10 to \$25 an acre.

Mr. GRIGGS. You can buy most of the land you want for \$10 to \$15 an acre, can you not?

Mr. HATCHER. Yes; unimproved land you can.

Mr. GRIGGS. So, then, the question of the gentleman from Michigan as to the value of your land falls flat?

Mr. HATCHER. I do not mean that you can buy a farm. You can buy unimproved land for \$10 an acre, but you can not buy improved land—

Mr. GRIGGS. That would range from \$20 to \$50 an acre?

Mr. HATCHER. The improved farms; yes.

Mr. GRIGGS. Which are your highest-priced lands; what is grown on your highest-priced land?

Mr. HATCHER. Various crops; no special crop.

Mr. GRIGGS. I say your highest-priced lands?

Mr. HATCHER. Our highest-priced lands on our farms depends on the improvements, the class of improvements; that is what I had reference to.

Mr. GRIGGS. You mean houses on the land?

Mr. HATCHER. I do.

Mr. GRIGGS. You mean it depends on the houses?

Mr. HATCHER. The houses and the state of the cultivation of the land.

Mr. GRIGGS. State of cultivation?

Mr. HATCHER. Yes.

Mr. GRIGGS. Well, the state of cultivation depends entirely on the plowing that has been done on it for several years, does it not?

Mr. HATCHER. Very largely.

Mr. GRIGGS. Now, then, take lands of that class and that character and tell me what the growth is on that land that makes it most valuable, what plant grown on that land is the most valuable plant; that is your long staple cotton land, that is your highest priced land, is it not?

Mr. HATCHER. All that section is adapted to long staple cotton.

Mr. GRIGGS. And that is the highest priced land, is it not?

Mr. HATCHER. Yes; I guess it is, almost.

Mr. GRIGGS. And it is worth from \$25 to \$50 an acre?

Mr. HATCHER. From \$20 to \$50, I would say, yes. Farms, I mean, where they are improved.

Mr. GRIGGS. That is, you mean improved land?

Mr. HATCHER. Yes, sir.

Mr. GRIGGS. They are worth from \$20 to \$50 an acre?

Mr. HATCHER. Yes, sir.

Mr. GRIGGS. And yet that land which cost you \$21.50 per acre to cultivate, can only return you, at the very highest price of long staple cotton during the last twenty years \$19 gross?

Mr. HATCHER. I mean the average of the country, the cotton, 100 pounds to the acre. I have made more cotton than that.

Mr. GRIGGS. I was trying to get the average price of the land.

Mr. HATCHER. I would say from \$20 to \$40 or from \$20 to \$50 an acre. I am quite sure the land is worth that.

Mr. GRIGGS. How much do you make on your farm?

Mr. HATCHER. I usually beat that; I used to get 200 pounds. But I used a good deal more than \$3.50 worth of fertilizer.

Mr. GRIGGS. Well, so do we. Now, the gentleman asked you some questions about your competition with the Mississippi Valley. You do not compete with the Mississippi Valley in long staple cotton, do you?

Mr. HATCHER. No; I guess not.

Mr. GRIGGS. But the short cotton growers of the South must compete with the Mississippi Valley, must they not?

Mr. HATCHER. They compete with each other, I would say.

Mr. GRIGGS. That is what I say—we must compete with each other. I simply want to get the facts about this business. I am taking no attitude, friendly or hostile, this morning.

Mr. HATCHER. I appreciate that.

Mr. GRIGGS. I am simply trying to get facts. Now, then, the short-cotton growers of the South must compete with the Mississippi Valley cotton growers, must they not? If we make a bale of cotton to the acre in Georgia, we must use at least eight to ten dollars' worth of fertilizer, must we not?

Mr. HATCHER. I would think so. I am not familiar with the short-cotton business.

Mr. GRIGGS. And the farmers of the Mississippi Valley do not have to put any fertilizer on, do they? They do not have to use fertilizer?

Mr. HATCHER. I can not give you any information on that whatever, because I am not familiar with the conditions there.

Mr. GRIGGS. They do not, as a matter of fact. Now, then, with an expenditure of from \$8 to \$10 an acre in fertilizer, in order to make a bale of cotton, we must compete with people who can make two bales of cotton to the acre without any fertilizer. Is not that true?

Mr. HATCHER. Yes, sir.

Mr. GRIGGS. What is the cost of ginning a bale of long staple cotton?

Mr. HATCHER. The seed pays for the ginning. That is the way we figure that

Mr. GRIGGS. Do you not get at least 600 pounds of seed out of a bale; don't you get 700 pounds out of a bale?

Mr. HATCHER. Yes; we get about 1,000 pounds.

Mr. GRIGGS. A thousand pounds of seed out of a bale?

Mr. HATCHER. Yes; we furnish bagging and do the ginning for the seed.

Mr. GRIGGS. And a ton of seed is worth from \$12 to \$18 in the market?

Mr. HATCHER. Yes, sir.

Mr. GRIGGS. Do you mean to say that you pay from \$6 to \$9 for ginning your cotton per bale?

Mr. HATCHER. The custom there in ginning is that we furnish the bagging and twine and gin for the seed, in a majority of cases. Some keep the seed for fertilizer.

Mr. GRIGGS. Now, Mr. Hatcher, you said at the beginning of your talk—and you answered me the question just now in the same way—that you were an up-to-date farmer?

Mr. HATCHER. Yes, sir; I think I know something about it.

Mr. GRIGGS. And being an up-to-date business man and farmer, you say that you pay from \$6 to \$9 a bale for ginning your cotton?

Mr. HATCHER. No, sir; I am speaking as to the custom of the people in this business in our country.

Mr. GRIGGS. But you do not do that, do you?

Mr. HATCHER. I do not; I have quit the business.

Mr. GRIGGS. You are out of the business?

Mr. HATCHER. I am virtually out of it; yes. I am only referring to the average people.

Mr. GRIGGS. That is what the average man pays?

Mr. HATCHER. Yes, sir.

Mr. GRIGGS. Do you not think you had better change that custom?

Mr. HATCHER. Well, I think it would be fairly good business to change it.

Mr. GRIGGS. To change the custom?

Mr. HATCHER. Yes; the custom of ginning.

Mr. GRIGGS. You know what it costs to gin cotton?

Mr. HATCHER. Yes; I have run a couple of plants myself.

Mr. GRIGGS. Then the gin is levying a very heavy tribute on the long-cotton farmer, is it not, if it charges from \$6 to \$9 a bale for ginning?

Mr. HATCHER. Yes; he is getting a pretty good price.

Mr. GRIGGS. I wish I had a gin down there.

Mr. HATCHER. I wish I had another one, and could get plenty of work.

Mr. GRIGGS. Now, then, had you not better go to work and cheapen the cost of producing your cotton before you insist on levying a tribute on all the people of the United States in order to make your prices better?

Mr. HATCHER. The reason, Captain, that we appeal to you here for this protection is because we feel like our labor is competing with a foreign labor—putting up cotton side by side without duty—that we can not exist and raise it under our present price of labor. It is impossible for us to compete with the other fellow if the Egyptian cotton is worth within a cent or about a cent a pound what ours is worth.

Mr. GRIGGS. Won't you answer my question? My question was, Do you not think you had better go to work and lower the cost of production—of ginning at least?

Mr. HATCHER. I think it a good idea, but it is hard to do.

Mr. GRIGGS. You say as a positive fact, unqualifiedly, that that is too high for ginning?

Mr. HATCHER. Yes; but I just referred to that as a general custom with some people. Some people pay a dollar a hundred, they get a dollar a hundred in some cases. Some prefer to be giving the seed and getting the bagging rather than pay a dollar a hundred. The standard price of ginning is a dollar a hundred.

Mr. GRIGGS. Do you not think that is too high?

Mr. HATCHER. No.

Mr. GRIGGS. Do you not think 75 cents would be nearer right?

Mr. HATCHER. For sea-island cotton?

Mr. GRIGGS. Yes; when we gin the other cotton at 30 cents?

Mr. HATCHER. No. If you can gin 8 or 10 bales—

The CHAIRMAN. Is this to be prolonged?

Mr. GRIGGS. I do not know; I am doing my best.

The CHAIRMAN. I do not exactly see the point.

Mr. GRIGGS. I do not expect you to see it. I am looking at it myself.

The CHAIRMAN. I wondered if you saw it.

Mr. GRIGGS. Yes; I saw it.

The CHAIRMAN. I will have to take your assurance for it.

Mr. GRIGGS. Do you not believe that 75 cents a hundred is a good price for ginning your cotton?

Mr. HATCHER. No, sir.

Mr. GRIGGS. As compared with 30 cents for ginning short cotton. It does not take three times as long?

Mr. HATCHER. Oh, yes; your gins will gin ten or twelve bales a day. Our gins will gin only one, 400 pounds average. That is quite a difference.

Mr. GRIGGS. You ought to get better gins then.

Mr. HATCHER. I can get gins that will do more work, but I can not get any that will do better work. We have gins that will gin four bales a day, but their work is not satisfactory. Consequently a dollar a hundred is as cheap as I can gin and exist.

Mr. CLARK. Why do you not go to raising corn and wheat?

Mr. HATCHER. The weevils eat it up. It is not a staple crop there.

Mr. CLARK. Neither is this cotton you are talking about.

Mr. HATCHER. Yes; it is staple; it will not rot if you keep it dry.

Mr. CLARK. I know you call it long staple, but the whole truth is you can not raise long-staple cotton down there successfully?

Mr. HATCHER. No. We think we can raise it successfully if we can get a price——

Mr. CLARK. Certainly; somebody raised a lemon up in Missouri, and an orange, too, and such things, but it cost them, perhaps, pretty nearly ten or fifteen dollars apiece to raise them. Now, the whole tale about this long-staple cotton is that you thought there was going to be a tariff pie or watermelon cut up here and you wanted a slice when it went around.

Mr. HATCHER. I feel like if the other industries of the country are protected we should have some. We are coming directly in competition with cotton imported into this country.

Mr. POU. You are asking 10 cents a pound protection?

Mr. HATCHER. Yes, sir.

Mr. GRIGGS. You say you think because the balance of the country has protection that we ought to have it?

Mr. HATCHER. Where we are depending on a commodity that comes so near direct competition with foreign cotton, that is the position. I know it is cheeky for a Democrat to appeal to a body of gentlemen like this and ask for protection. Still I have always believed in it; I have always been somewhat inclined that way, although it has not been my politics.

Mr. GRIGGS. You have not answered my question. You said, did you not, that because the balance of the country had protection you thought you ought to get some of it?

Mr. HATCHER. I said some of the business of the country——

Mr. GRIGGS. Do you think that you ought to be a Republican because a good deal of the rest of the country goes Republican? You do not believe that?

Mr. HATCHER. I can not argue with you; you put them to me too strong; I can not keep up.

Mr. COCKRAN. Is Florida the only place where this article is grown?

Mr. HATCHER. Florida, South Carolina, and Georgia.

Mr. COCKRAN. The people from South Carolina are not here asking for protection?

Mr. HATCHER. They have only a small territory, some little islands, and they never grow more than 8,000 to 10,000 bales a year.

Mr. COCKRAN. They are satisfied with the law as it is?

Mr. HATCHER. I suppose so, because they are only interested in a limited way.

Mr. DALZELL. Where is this territory—South Carolina and Georgia?

Mr. HATCHER. Yes, sir; South Carolina, Florida, and Georgia.

Mr. LONGWORTH. Is the cost of labor as high in Georgia as it is in Florida?

Mr. HATCHER. I do not think so; I hardly think it is.

Mr. LONGWORTH. What does a farm hand cost to-day?

Mr. HATCHER. If you hire them by the day they will cost you a dollar a day.

Mr. COCKRAN. You said that there was a limited quantity of this article produced to-day in other places besides Florida?

Mr. HATCHER. Yes; there is a limited amount produced in South Carolina and a considerable amount raised in Georgia. South Carolina raises a limited amount and Georgia and Florida the balance.

Mr. COCKRAN. Do you claim that the major portion of this article is raised in Florida?

Mr. HATCHER. Yes, sir.

Mr. COCKRAN. You raise then the greater part of it?

Mr. HATCHER. Yes, sir.

Mr. COCKRAN. So that when you come here you speak for the main part of the product?

Mr. HATCHER. Yes, sir. We will have some of the Georgia people speak later.

STATEMENT OF W. W. WEBB, REPRESENTING GEORGIA AND FLORIDA COTTON INTERESTS WHO WANT A DUTY PLACED ON RAW EGYPTIAN COTTON.

TUESDAY, December 1, 1908.

Mr. WEBB. Mr. Chairman and gentlemen, I am here as a representative of the interstate convention of Georgia and Florida, and represent them in the cause of protection in the sea-island cotton grown in those two States.

There are about 16 counties, I believe, in Georgia and 13 counties in Florida that grow the sea-island cotton. I am not acquainted with the tariff issues or duties; I am not familiar with the facts and figures to be found in the tariff lists. I am here as a practical producer of sea-island cotton, a practical worker in the field.

The convention that I refer to was called, and I believe about 200 delegates were present. They elected a delegation to represent them before this honorable committee and to present their wishes and pleadings.

We desire to have a duty placed on Egyptian cotton, which comes in competition with our sea-island cotton grown in that section. We are sincere in making the appeal. Yet, at the same time, we may be somewhat ignorant as to just how our claims should be presented and may appear ignorant in presenting them, because for the most part the men that work in the fields, as we do, are not versed or learned in

legal affairs or in the methods that should be employed in presenting a case before a body of this kind.

I once heard a tariff argument by an able man, and I thought what he said was unanswerable. He stated, among other things, that a protective tariff was not so much for the protection of American industries or American enterprises as it was for the protection of the men who worked. He argued that a protective tariff gave to our people profitable work; that it increased the price of labor. I remember that great man who made that tariff speech, the only tariff speech I ever heard, and I say it has always seemed to me unanswerable.

MR. POT. Whose speech do you refer to?

MR. WEBB. I refer to Jim Wilkinson's speech. I say you have not answered it. I am not appealing to politicians or politics, but I have come because I am here to represent our people, because they elected me to represent them, and I am a little like the lady who was praying for a husband. When she was down on her knees, penitent because she had not found a mate, suddenly she heard an owl hoot, "Who! who! who!" She says, "Anyone, O Lord, so it is a man; I will take him." They did not send me before any politicians or before any party, but it was before this honorable board, which we thought would have sympathy for the men that were working.

We have conceived the idea that if you have protected men in manufactories you would be willing to protect the men in the fields. If you protected the children in the manufactories and in the factories of our great southern country in its industries, why should you not protect the infant in humanity that is working for a living?

That is the pleading that we are making to you gentlemen here today. And the man that gives us the thing that we ask for is the man that will be remembered in our mind, soul, and heart as long as we live.

I do not know about protection, as I have said; I do not know what ought to go on the protection list, nor what should not be there; but I tell you, gentlemen, that I would not ask you to do anything that was not the greatest blessing to the greatest number of people of our country, that would not be better for the greatest number of people as well as those who are interested in the growth and protection of sea-island cotton.

We have heard it said it is best for us to reduce the cost of production. If you are wise enough to do that, if you can reduce the cost of production and hand it down to us and have us make a success of it, then we will accept that, but I believe if you gentlemen will come down and march between the plow handles with us and help us to plow it out and hoe it out and chop it out and pick it out, and then prepare it for the market, you will be convinced of the fact that the cost of production can not be reduced. I know that there is some contention—but I never knew it until to-day—about wanting all the cotton put on the tariff list, or all cotton protected. There are only those few counties, gentlemen, that grow the sea island cotton, and nearly all of those counties were represented in that meeting I am telling you about, and all of them are interested and pleading to your honorable body to-day that you may place a protection upon our cotton. I do hope that you will.

If there are any questions that I can answer, I will be glad to answer them.

The CHAIRMAN. Are there any questions?

Mr. WEBB. A fellow that plows, you know, is not up to answering questions. The only thing he can do successfully is to draw the line and tap the mule.

Mr. GRIGGS. Mr. Webb, you live in Lowndes County, do you not?

Mr. WEBB. Yes, sir.

Mr. GRIGGS. Near the line of Berrien County?

Mr. WEBB. Yes, sir.

Mr. GRIGGS. Lowndes County lands produce more than 100 pounds of lint cotton to the acre, do they not?

Mr. WEBB. Yes, sir.

Mr. GRIGGS. They produce from 200 to 300 pounds, do they not?

Mr. WEBB. No, sir.

Mr. GRIGGS. About how much do they produce?

Mr. WEBB. We average a bale to about 3 acres; that is our average, a bale to every 3 acres.

Mr. GRIGGS. You mean a bale of 300 pounds?

Mr. WEBB. Our average weight in Georgia is about 350 pounds.

Mr. GRIGGS. That would make 116 pounds to the acre?

Mr. WEBB. Yes, sir.

Mr. GRIGGS. You do not make any more than that in Lowndes County?

Mr. WEBB. Well, we can make more. I am talking about an average. That is a fine average.

Mr. GRIGGS. Do not the good farmers of Lowndes County make more than 116 pounds to the acre?

Mr. WEBB. They can make more than 116 pounds, but it will take an unusual amount of fertilizer; the cost of fertilizer will be unusual.

Mr. GRIGGS. Do not the farmers in Berrien County—you are acquainted in Berrien County, I suppose?

Mr. WEBB. Yes, I am.

Mr. GRIGGS. Do not they make more than 116 pounds to the acre?

Mr. WEBB. About the same average, sir.

Mr. GRIGGS. How much short cotton do they make?

Mr. WEBB. Some of their lands will make as much short cotton and some of it more. All of the land that grows sea island cotton will not grow short cotton successfully.

Mr. GRIGGS. I understand that; but you do make more, on the average, in the county of Berrien; you make more, on the average, in that county than 116 pounds, do you not?

Mr. WEBB. No, sir.

Mr. GRIGGS. You are certain of that.

Mr. WEBB. Yes; I am certain of it. We can make more by applying more fertilizer.

Mr. GRIGGS. You made some reference just now to a suggestion of mine to the gentleman from Florida that he should try to decrease the cost of production.

Mr. WEBB. Yes, sir.

Mr. GRIGGS. You referred to the fact that if we went up and down the rows with you we would come to the conclusion that the cost of production could not be decreased. Did you not know I was referring entirely to the ginning proposition?

Mr. WEBB. I did not know what you were referring to.

Mr. GRIGGS. I was discussing ginning at the time.

Mr. WEBB. I understood you to say the cost of production. We do not consider ginning producing.

Mr. GRIGGS. Do you think it costs \$21 an acre to cultivate land in Lowndes County?

Mr. WEBB. No; it does not cost \$21 to cultivate it; but it costs about \$21, that is about the average, to cultivate it and pick it.

Mr. GRIGGS. Do you know anything about the growth of short cotton?

Mr. WEBB. A little.

Mr. GRIGGS. What does it cost an acre to grow short cotton?

Mr. WEBB. It costs about one-half as much.

Mr. GRIGGS. Just about one-half?

Mr. WEBB. Yes.

Mr. GRIGGS. While long staple cotton costs \$21 an acre, short cotton would cost \$10.50 an acre?

Mr. WEBB. Just about that. That is about an average.

Mr. CLARK. What did you raise on this land before you commenced to raise cotton on it?

Mr. WEBB. We raised corn and pease and potatoes.

Mr. GRIGGS. You can grow the finest corn in the world there, can you not?

Mr. WEBB. Fine corn; yes, sir.

Mr. CLARK. Did you make money raising corn and pease and potatoes?

Mr. WEBB. No; we have not made any money in that. We want to make some money.

Mr. CLARK. It is very strange you do not make any money raising corn and potatoes, and so forth, if you have got the best corn land in the world, when other people make money raising corn and those other things.

Mr. WEBB. We haven't got the best corn land in the world.

Mr. CLARK. You just answered Mr. Griggs that you had the best corn land in the world.

Mr. WEBB. I didn't say in the world; I said good land.

Mr. CLARK. But it is good land?

Mr. WEBB. Yes.

Mr. CLARK. And you can not make any money on it?

Mr. WEBB. No, sir.

Mr. CLARK. And corn is worth 55 or 60 cents a bushel in the corn country?

Mr. GRIGGS. It is worth \$1 in Georgia.

Mr. CLARK. I suspect that is true. I was talking about the great corn belt. How much corn do you raise to the acre on that land?

Mr. WEBB. Well, according to the amount of fertilizer we put on it.

Mr. CLARK. Putting a reasonable amount on it; the amount you did put on, how much corn did you make?

Mr. WEBB. We can make, by putting \$10 of fertilizer to the acre, from \$10 to \$12 or \$15 worth of corn. [Laughter.]

Mr. CLARK. How many bushels of corn do you raise to the acre?

Mr. WEBB. Our average is 10 bushels.

Mr. CLARK. Well, did you make money raising corn?

Mr. WEBB. No; we did not.

Mr. CLARK. Do you make money raising this cotton?

Mr. WEBB. We could if we could get what we wanted.

Mr. CLARK. If somebody would make you a present of a lot of money and you would call that raising cotton, you would make money?

Mr. WEBB. We would appreciate it very much.

Mr. CLARK. Why don't you go to raising something on that land that you can make money on?

Mr. WEBB. If you will inform us what we can raise, perhaps we will.

Mr. CLARK. Why don't you give the land away, then, if you can't make money on it at all?

Mr. WEBB. A poor home is better than none.

Mr. CLARK. There is plenty of good land in the United States that you can get for entering.

Mr. WEBB. If we could get to be Congressmen we might be able to get it. [Laughter.]

Mr. CLARK. You think it is a lucrative job to be Congressman, do you?

Mr. WEBB. It seems to us it is a very easy matter. [Laughter.]

Mr. CLARK. Why does it seem so to you?

Mr. WEBB. Because we can not see anything that he does. We are asking him to do something now.

Mr. CLARK. You want Congress to give you something. Now, give a reason why Congress should give you 10 cents a pound on long staple cotton?

Mr. WEBB. Because it has protected other interests, and if it is going to protect the manufacturers——

Mr. CLARK. Suppose they turn the thing around the other end foremost and take off the protection on some of those things, how would that strike you?

Mr. WEBB. That would be better for us; it would be more equal.

Mr. CLARK. Why didn't you come here and honestly ask that, if you are being skinned by this tariff system and would like some of the tariff to be taken off?

Mr. WEBB. Because we are not going to lie about it. [Laughter and applause.]

Mr. CLARK. I want to make a remark to you gentlemen. If you think you can yell me down, you have struck the wrong man. I make that remark to apply to some of the members of this committee as well as these men back here.

It has not been five minutes since you said if you could have the tariff reduced it would make it more equal.

Mr. WEBB. I said it would be better. I did not say I wanted it done.

Mr. CLARK. Then what do you want?

Mr. WEBB. I want a tariff on Egyptian cotton. That is exactly what I want.

Mr. CLARK. Where they can raise this cotton——

Mr. WEBB. I think the most——

Mr. CLARK. Wait a minute. Where they raise this cotton, where there is good long-cotton land, how much do they make to the acre?

Mr. WEBB. Our average is a bale to every three acres.

Mr. CLARK. I am not talking about average. I am talking about the country where long cotton is raised.

Mr. WEBB. Well, I intended or expected to be representing that section.

Mr. CLARK. I do not think you do; if you can only make 100 pounds of this cotton to the acre, you have no business raising it. How much do they make where that is the business of the country? There must be some country where they make it.

Mr. WEBB. Maybe in Egypt, sir.

Mr. CLARK. How much do they raise to the acre?

Mr. WEBB. I don't know, sir.

Mr. CLARK. All you do know is you want Congress to give you 10 cents a pound on this cotton?

Mr. WEBB. I know I know that.

Mr. CLARK. And you want that because other people are getting a "divvy" also?

Mr. WEBB. I want that just because I want it.

Mr. CLARK. And there is not anything on earth you can raise on that land and make money on unless somebody gives you a bonus.

Mr. POE. Do you believe in the principle of protection?

Mr. WEBB. Of course I do.

Mr. COCKRAN. Is there any use to which you could put this land that would make your community self-supporting?

Mr. WEBB. Well, yes, sir; it might be self-supporting; as long as we are able to make hog and hominy, as we call it, we will be self-supporting.

Mr. COCKRAN. It is self-supporting now, then?

Mr. WEBB. Yes, sir.

Mr. COCKRAN. So what you want is to make a profit at the public expense?

Mr. WEBB. Make a profit, that is all.

Mr. COCKRAN. You can live by your own labor?

Mr. WEBB. Yes, sir.

Mr. COCKRAN. But you can make a profit by getting the benefit of taxation?

Mr. WEBB. Yes, sir.

Mr. COCKRAN. That is very simple.

EXHIBIT A.

[Estimate made by W. W. Webb, Hahira, Ga.]

Cost of raising sea-island cotton, 1907.

Rent of land	\$3.00
Breaking of land	2.00
Fertilizer	4.00
Distributing .....	.50
Planting .....	.50
Seed .....	.50
5 plowings of cotton	3.75
Chopping	1.00
2 hoeings	1.00
Picking	6.62
Bagging .....	.40
Ginning	1.00
Hauling .....	.50
Total	25.77

Cost of production per pound, $21\frac{1}{2}$ cents.

The crop of cotton (sea island) is divided into five grades, according to picking.

First picking, 23 pounds, graded fancy-----	25 cents.	\$5. 80
Second picking, $23\frac{1}{2}$ pounds, No. 1-----	20 cents.	4. 65
Second picking, $23\frac{1}{2}$ pounds, No. 2-----	16 cents.	3. 73
Second picking, $23\frac{1}{2}$ pounds, No. 3-----	13 cents.	3. 04
Second picking, $23\frac{1}{2}$ pounds, dog tail-----	8 cents.	1. 84
	82 cents.	19. 06

Average price, $16\frac{2}{3}$ cents.

There is very rarely any fancy cotton made, and if not picked as above then that which should have been picked reduces its value to the next lowest grade. If the first picking is deferred and picked with the last, then it is all reduced to the lowest value.

The statistical report shows only the highest price paid, and not the lowest.

STATEMENT OF J. T. PRICE, OF WADE, FLA., WHO ADVOCATES THE IMPOSITION OF A DUTY ON COTTON.

TUESDAY, *December 1, 1908.*

Mr. Chairman and gentlemen of the committee, I am a practical cotton raiser in the sea-island district of Florida. I will ask you if you desire to ask me any questions, as the ground has been pretty well covered by the gentlemen who preceded me. My principal business is growing sea-island cotton.

Mr. GRIGGS. In what portion of Florida?

Mr. PRICE. In Alachua County.

Mr. GRIGGS. In what portion of the State is that?

Mr. PRICE. It is near Gainesville. We call it east Florida.

Mr. GRIGGS. You have some pretty good lands in Alachua County, have you not?

Mr. PRICE. We have good land; yes.

Mr. GRIGGS. Better than Columbia County?

Mr. PRICE. I do not know as it is. We have some hammock lands and pine lands.

Mr. GRIGGS. Do you grow any oranges in Alachua County?

Mr. PRICE. Yes, sir; I have some oranges.

Mr. GRIGGS. Oranges pay much better than cotton, do they not?

Mr. PRICE. I do not think they paid this last winter.

Mr. GRIGGS. I mean as a rule.

Mr. PRICE. As a rule they do; yes. They did not pay us, because we got killed out by the frost, and we have not tried to reproduce them.

Mr. GRIGGS. I make a distinction between the agriculturist and the farmer. What are you?

Mr. PRICE. I am a farmer. If you are an agriculturist, you are the man that has the farming done for you.

Mr. GRIGGS. Do you not make more than a hundred pounds to the acre?

Mr. PRICE. Yes; I do.

Mr. GRIGGS. What do you make?

Mr. PRICE. I think the average, one year after the other, will be 150 pounds of lint cotton.

Mr. GRIGGS. You can not make any more than that?

Mr. PRICE. Some years I can and some years I will not make any more.

Mr. GRIGGS. I mean as an average.

Mr. PRICE. No; I don't think we can under present conditions.

Mr. GRIGGS. What is land worth in Alachua County, on the average?

Mr. PRICE. On the average about \$12.50 an acre. That is for cotton. Our hammock lands are worth a great deal more, but sea island cotton will not grow on hammock lands—on rich hammock lands suited to the growing of corn and early vegetables. Sea island cotton will not grow on that land.

Mr. CLARK. I did not catch your name.

Mr. PRICE. Price.

Mr. CLARK. And you live at Gainesville?

Mr. PRICE. No, sir; I live near Wade.

Mr. CLARK. Can you raise lettuce on this land that you raise long staple cotton on?

Mr. PRICE. No, sir; lettuce requires a very damp, heavy soil, and sea island cotton will not grow on that kind of land.

Mr. CLARK. Can you raise vegetables?

Mr. PRICE. Not in paying quantities; no.

Mr. CLARK. How far is your place from Gainesville?

Mr. PRICE. Twenty-two miles.

Mr. CLARK. The reason I ask you about lettuce is that I was told when I was down there that they made \$5,000 an acre on lettuce.

Mr. PRICE. That might happen once in twenty years, and possibly the next year the fellow would lose \$1,000 an acre. They do not make money every year with lettuce. It is only the damp, wet land that is suitable for lettuce.

Mr. CLARK. What is this land that you raise the long-staple cotton on? Did you say it was the hammock land?

Mr. PRICE. No; I said the rich hammock land would not grow the cotton. We use the pine land, not too poor—

Mr. CLARK. Can you raise anything else on that land?

Mr. PRICE. I do do it.

Mr. CLARK. Do you raise paying crops on it?

Mr. PRICE. Yes; some of them I do.

Mr. CLARK. If you can raise paying crops and some other kind and this sea-island cotton does not pay, then why do you not quit raising the sea-island cotton and go to raising the crops that do pay?

Mr. PRICE. If I did, it would make an overproduction of the things I would raise, and then they would not pay, just the same as the sea-island cotton.

Mr. CLARK. What is it you raise, if you do not raise the sea-island cotton?

Mr. PRICE. Hogs, sugar cane, and sweet potatoes. Those are paying crops, because I live near the mines and there is a good local market for those things.

Mr. CLARK. There is no oversupply of hogs in the United States, is there?

Mr. PRICE. There would be in Florida if we raised very many more hogs.

Mr. CLARK. They make tiptop meat out of that Florida hog, do they not?

Mr. PRICE. I do not hardly know what you call tiptop meat.

Mr. CLARK. Well, first-class meat.

Mr. PRICE. Our meat that we grow in Florida, we market the pork in from 80 to 100 pound shoats. That will make lean pork for the fresh meats.

Mr. CLARK. It is the very best hog meat that can be obtained, is it not?

Mr. PRICE. That is the best we get in that country.

Mr. CLARK. As a matter of fact, the razor-back hogs are the best sort of meat, and that is the kind of hog you grow, is it not?

Mr. PRICE. No; we do not grow the razor-back hog.

Mr. CLARK. As a matter of fact, those Florida hogs make a better article for bacon, pound for pound, than the big hogs that we raise in the Mississippi Valley.

Mr. PRICE. No; not if you kill yours as young as we kill ours.

Mr. CLARK. We kill ours at 9 months old, and they weigh 200 to 300 pounds.

Mr. PRICE. Our land is too poor; ours do not grow that fast. Our land is too poor to feed them that well; ours do not grow that fast.

Mr. CLARK. The quality of the land does not have anything to do with what your hogs will weigh, does it?

Mr. PRICE. We can not make them weigh that with the feed we give them.

Mr. CLARK. What I was trying to arrive at honestly is, is there anything you can raise down there now that will pay you better than this long-staple cotton.

Mr. PRICE. If I understand you, for the whole country to grow it, or do you just mean one man? I will say for the whole country, no, there is not anything.

Mr. CLARK. I do not mean one man, and I do not mean the whole country, but that neighborhood or vicinity that you live in.

Mr. PRICE. That vicinity. We live near the phosphate mines, and we grow all the pork that can be consumed, and we grow some cotton, too.

Mr. CLARK. Why do you not raise more pork?

Mr. PRICE. Because there would not be any market for it.

Mr. CLARK. I mean why do you not raise more than you can use locally. Pork is a thing that can be shipped all over the country. Why do you not go into that business?

Mr. PRICE. We could not get a market close at home that would pay us. We sell it at 6.50 cents to 7 cents dressed. If we had to pay a freight on it we could not afford it.

Mr. CLARK. I will ask you another question about Florida, because I like the people and am very much interested in it.

Why don't you people down there, instead of trying to raise these fancy things, go into raising stock—hogs, sheep, mules, horses, and cattle?

Mr. PRICE. Well, they are gradually branching out.

Mr. CLARK. I am glad to hear that.

Mr. PRICE. We are trying to do it, but we have not got the money; we are poor people; we haven't the money to build big barns and buy fancy cattle.

Mr. CLARK. I am not talking about fancy cattle. I will tell you why I ask that question. There are some of my constituents who are

running a mule and horse establishment at Jacksonville. I went down there and was very much pleased with what they were doing, and I asked them what was the reason that Florida, instead of importing mules and horses and cattle, did not go to raising them, and my friends said that twenty years from now, if they would go at it, they would be exporting everything of that sort instead of importing them.

The CHAIRMAN. You do not raise much grass there, do you?

Mr. PRICE. Yes; we raise hay in the vegetable localities.

The CHAIRMAN. But it is not like the grass in the Mississippi Valley?

Mr. PRICE. No.

Mr. CLARK. Is it true that these velvet beans, which you can grow, will fatten cattle just as quickly as clover will fatten them?

Mr. PRICE. I do not know what clover will do, but those velvet beans will fatten them; yes.

Mr. CLARK. That is what they told me, that those velvet beans would fatten cattle and horses faster than clover.

Mr. COCKRAN. Would you allow me to ask a question or two, as a practical man, as to the cost of producing this cotton?

Mr. PRICE. Certainly.

Mr. COCKRAN. You are not engaged in this business yourself?

Mr. PRICE. Yes, sir.

Mr. COCKRAN. That is your chief business?

Mr. PRICE. Yes, sir; cotton is the biggest crop we have.

Mr. COCKRAN. You get 125 pounds to the acre on the average, you say?

Mr. PRICE. Yes, sir.

Mr. COCKRAN. And that is a fair return from the cultivation of the land?

Mr. PRICE. Not at the present prices; no, sir.

Mr. COCKRAN. I mean in quantity, not in price; 125 pounds is about a fair average yield of a properly cultivated farm, 125 pounds to the acre?

Mr. PRICE. It will not average that. Land through that country will not average that much.

Mr. COCKRAN. Your production, I am referring to?

Mr. PRICE. My own farm will average that; yes, sir.

Mr. COCKRAN. That is the one of which you have complete knowledge, is it not?

Mr. PRICE. Yes, sir.

Mr. COCKRAN. How much does it cost you to cultivate that land?

Mr. PRICE. It costs me about \$20 or \$21 to cultivate that land.

Mr. COCKRAN. I understand; we have had that; but I want the items of it.

Mr. PRICE. You want the items?

Mr. COCKRAN. Yes. In the first place, what are the elements of cultivation? There is plowing?

Mr. PRICE. First, there is preparing the land.

Mr. COCKRAN. That is, plowing?

Mr. PRICE. Yes; breaking the land.

Mr. COCKRAN. What is next?

Mr. PRICE. Planting.

Mr. COCKRAN. And cultivation?

Mr. PRICE. The next is cultivation; yes, sir.

Mr. COCKRAN. Those are the elements. And then harvesting?

Mr. PRICE. You know we fertilize—

Mr. COCKRAN. That comes under the head of cultivation, does it not?

Mr. PRICE. That comes under the head of expense, all right.

Mr. COCKRAN. Plowing, planting, cultivation, fertilizing, and harvesting?

Mr. PRICE. Housing.

Mr. COCKRAN. That is harvesting. But we will put it separately; we will call it housing.

Mr. GRIGGS. It is the same thing.

Mr. COCKRAN. Now, how much do you assign for the plowing, per acre?

Mr. PRICE. You mean at each plowing?

Mr. COCKRAN. I mean to say, how much will it cost you to plow one acre of that ground; how many days to begin with will it take you to plow an acre of ground?

Mr. PRICE. It is according to how we plow it.

Mr. COCKRAN. I mean as you do plow it.

Mr. PRICE. A man and a good mule will plow about 2 acres a day.

Mr. COCKRAN. One acre in one-half a day. And what is the rate of wages for that plowing?

Mr. PRICE. I do not understand.

Mr. COCKRAN. How much do you pay the laborer who plows the land?

Mr. PRICE. About \$1.25 an acre.

Mr. COCKRAN. And if he plows 2 acres in a day, you would pay him about 62 cents to the acre?

Mr. PRICE. And your mule's expenses.

Mr. COCKRAN. How much would be the wear and tear on the mule?

Mr. PRICE. The wear and tear on the mule would not amount to anything, but you would have the cost of feed; that is something; and you would have to buy your mule. Our mules cost about \$200, on an average.

Mr. COCKRAN. But the expenditure of mule energy upon an acre would not amount, at the outside—

Mr. PRICE. I would have to get some one to figure that for me.

Mr. COCKRAN. I think we can figure it together. If you come to tell us what it costs to cultivate an acre of land, of course you must give us the items, so we can verify. It would be quite liberal to allow 38 cents per acre for the expenditure of mule energy, including the sustenance of the animal, would it not?

Mr. PRICE. No; I think it will cost you more than that at the price of feed in Florida. It would cost you more than 38 cents a day.

Mr. COCKRAN. I say 38 cents for half a day. That would be 76 cents a day.

Mr. PRICE. That would be about fair, I think.

Mr. COCKRAN. It would be 38 cents for mule energy and sustenance. Now, that is preparation. Now for the planting. How much would the planting cost per acre?

Mr. PRICE. The planting of an acre would cost, possibly, in distributing the fertilizer—

Mr. COCKRAN. No; we will come to that, but put that in if you

like; perhaps you had better take the fertilizer separately. How much fertilizer do you use to an acre?

Mr. PRICE. I use from 200 to 400 pounds.

Mr. COCKRAN. Four hundred pounds to an acre?

Mr. PRICE. From 200 to 400 pounds.

Mr. COCKRAN. But there is a great difference between 200 pounds and 400 pounds. Which is it?

Mr. PRICE. It varies. On some parts of my farm I put more fertilizer than I do on others.

Mr. COCKRAN. What would you average?

Mr. PRICE. It would average about 300 pounds.

Mr. COCKRAN. And how much is it per pound?

Mr. PRICE. About \$24 a ton.

Mr. COCKRAN. A little less than $2\frac{1}{2}$ cents per pound—about 2 cents a pound. I mean a standard ton?

Mr. PRICE. Yes, sir.

Mr. COCKRAN. That would be 2 cents a pound, and 300 pounds—

The CHAIRMAN. That would be a little over a cent a pound.

Mr. COCKRAN. Oh, yes. Say \$3 for fertilizer.

Mr. PRICE. That is what I estimate that it costs us for fertilizer, about \$3 an acre.

Mr. COCKRAN. How much for the planting, the distribution of the seed, and the fertilizer—how long would it take to do that on an acre?

Mr. PRICE. It would take—he would possibly go over 5 or 6 acres a day.

Mr. COCKRAN. One man?

Mr. PRICE. One man.

Mr. COCKRAN. And that man you would pay \$1.50 a day.

Mr. PRICE. You understand that you have a man and a mule on your fertilizer and a man and a mule to sow your seed.

Mr. COCKRAN. What does it cost, taking the seed, an acre? You have 2 men and 2 mules?

Mr. PRICE. And the seed is about 75 cents an acre.

Mr. COCKRAN. Let us get at one thing at a time. Let us take the number of men and mules. The seed we will come to afterwards. Am I correct about this? For the planting of each acre of ground you have 2 men and 2 mules?

Mr. PRICE. Yes.

Mr. COCKRAN. And they do about 3 acres a day?

Mr. PRICE. No; about 5 acres a day.

Mr. COCKRAN. So you have got one-fifth of 2 men and one-fifth of 2 mules for each acre?

Mr. PRICE. Yes, sir.

Mr. GRIGGS. How wide apart are your rows?

Mr. PRICE. About 4 feet; from 4 to 5 feet.

Mr. GRIGGS. You can not plant over 5 acres a day?

Mr. PRICE. We do not get over that on an average from our negro labor.

Mr. GRIGGS. Four feet apart?

Mr. PRICE. Yes, sir.

Mr. GRIGGS. You do not get over 5 acres a day?

Mr. PRICE. On an average. I have had them plant 8 acres, and I have had them do less than 5 acres.

Mr. GRIGGS. Will you not average 6 or 7 acres a day?

Mr. PRICE. Taking a crop of 100 acres?

Mr. GRIGGS. Yes.

Mr. PRICE. I do not think you would.

Mr. COCKRAN. That would make it about \$1.80 an acre for the two men and the two mules, on that basis?

Mr. PRICE. If they do 5 acres a day. Then you want to add your seed.

Mr. COCKRAN. Well, the seed. How much does the seed cost per acre?

Mr. PRICE. I suppose about 50 cents an acre would be an average fair price for it.

Mr. COCKRAN. Now, we have got the planting, the mules, the seed. How much cultivation do you do in the course of a year per acre?

Mr. PRICE. That is rather hard to get at. I plow my cotton, try to have it plowed, once a week.

Mr. COCKRAN. How long is it growing?

Mr. PRICE. From March until the 1st of September.

Mr. COCKRAN. That would be about twenty-five weeks?

Mr. PRICE. About that; yes, sir.

Mr. COCKRAN. How long does it take to plow 1 acre?

Mr. PRICE. Under the system of farming that I employ it would be about 5 or 6 acres a day.

Mr. COCKRAN. Is that the usual number of acres plowed per day? Is not that extraordinary to plow once a week?

Mr. PRICE. Yes, sir.

Mr. COCKRAN. Is it not usual that they plow only once in four weeks?

Mr. PRICE. Yes; but the people who plow that way do not raise as much as the people who plow oftener.

Mr. COCKRAN. Plowing once per week is quite unusual?

Mr. PRICE. Yes, sir; but under the system that I employ it is once a week.

Mr. COCKRAN. And 5 acres per day?

Mr. PRICE. Yes, sir.

Mr. COCKRAN. So that each week that amounts to about 60 cents?

Mr. PRICE. Yes.

Mr. COCKRAN. According to that, it would make \$15 for the cultivation?

Mr. PRICE. That is higher than I would put it.

Mr. COCKRAN. Will you give us the statement about that? Of course, I understand that you are speaking without proper reflection. We would be glad if you would show the cost of cultivating each acre.

Mr. PRICE. Yes, sir; I have that statement prepared, or a gentleman with me has it.

Mr. COCKRAN. Does it show items per acre according to the questions which I have been propounding?

Mr. PRICE. Yes, sir. If you will excuse me a moment I will endeavor to get it; but I believe the gentleman who has it has left the room temporarily.

Mr. COCKRAN. You are able to support yourself, are you not? You are able to make a living?

Mr. PRICE. Yes; I am, with the other crops.

Mr. COCKRAN. Including this crop?

Mr. PRICE. Yes; but if I were to grow cotton alone I do not think that I could exist.

Mr. COCKRAN. Are you cultivating it at a loss?

Mr. PRICE. Oh, no; but I am growing cotton as a money crop. I work principally on the tenant system. I furnish the tenants with provisions, and they grow the crop and pay me in cotton.

Mr. COCKRAN. Do you raise the other crops at a profit and raise this one at a loss? Do I understand that to be the situation?

Mr. PRICE. I did for the last two years.

Mr. COCKRAN. Then what is your object in raising cotton?

Mr. PRICE. I hoped that it would go higher, but instead of that it has gone lower.

Mr. COCKRAN. The price of cotton having gone lower than you calculated, your crop shows a loss?

Mr. PRICE. Yes, sir.

Mr. COCKRAN. Does not that often happen in every crop?

Mr. PRICE. Yes, sir; it frequently happens.

Mr. COCKRAN. Then you do not agree with the last gentleman, the gentleman who is quoted as an eminent authority on political economy in the State of Florida, Mr. Jim Wickerson, to use his own term; and perhaps I should say the Hon. James Wickerson?

The CHAIRMAN. Well, proceed with your question.

Mr. COCKRAN. Do you agree with him that the average farmer is self-supporting?

Mr. PRICE. Not under present conditions.

Mr. COCKRAN. Then you think you can not live under the present conditions?

Mr. PRICE. No, sir. You take the country as a whole, the people can not live for the prices they are now getting for cotton, and they are in favor of the duty.

Mr. COCKRAN. Don't you think that the condition at this time is rather exceptional?

Mr. PRICE. It is growing worse, because the cost of production has grown higher.

Mr. COCKRAN. You say that prices are going up?

Mr. PRICE. No, sir; I say that the cost of production is going up.

Mr. COCKRAN. You say that the cost of production is going up rapidly and prices are not?

Mr. PRICE. I think that the cost of production is going up a little faster than prices are.

Mr. COCKRAN. How much is the average cost of living under present conditions?

Mr. PRICE. I have no means of knowing that.

Mr. COCKRAN. Has not the price of cotton doubled in the past fifteen years?

Mr. PRICE. No, sir; it has not.

Mr. COCKRAN. Do you know what the cotton crop of 1894-95 was?

Mr. PRICE. I do not remember.

The CHAIRMAN (to Mr. Cockran). I do not think we should proceed along this line any further.

Mr. COCKRAN. I am simply asking him the question as to the prices which he received for this product.

The CHAIRMAN. He says that he can not recollect. I can furnish that or we can get it elsewhere.

Mr. COCKRAN. Do I understand you to say, unassisted by the remarks of the chairman, that you are carrying on this business of the production of cotton at a loss and you are anxious that we shall put a tax on the commodity so that you can turn your loss into a profit?

Mr. PRICE. We want you to put a tax upon the Egyptian cotton in order to keep it from competition with our cotton.

Mr. COCKRAN. So as to enable you to get such a price as to produce it at a profit?

Mr. PRICE. Yes, sir.

Mr. GRIGGS. Are you not growing cotton as a surplus crop?

Mr. PRICE. Not altogether. I plant as many acres of cotton as I think I ought to, just as I do in other products.

Mr. GRIGGS. You make a living at home, and cotton is a surplus after you obtain your living?

Mr. PRICE. Yes, sir; after making provisions for my farm.

EXHIBIT A.

[Estimate made by J. T. Price, Wade, Fla., for year 1907.]

Cost of producing an acre of sea-island cotton.

Rent of land.....	\$2. 00
Preparing land for seed.....	2. 00
300 pounds of fertilizer, per acre (commercial).....	3. 60
Cost to distribute fertilizer on 1 acre.....	.50
Cost of planting seed.....	.50
Cost of seed.....	.37
Barring of young plants.....	.50
Chopping of young plants.....	1. 00
All cultivation to maturity, including hoeing.....	5. 50
Cost of picking 400 pounds seed cotton, at \$1.25.....	5. 00
Hauling to gin.....	.50
Ginning.....	1. 00
Bagging and twine.....	.20
Salary of superintendent, at \$50 per month.....	3. 00
Total.....	25. 67
By 107 pounds lint from 1 acre, at 20 cents (this being average price).....	\$21. 40
By 300 pounds seed, at \$14 per ton.....	2. 10
	23. 50
Loss.....	2. 17

STATEMENT OF THE HON. WILLIAM B. LAMAR, A REPRESENTATIVE FROM FLORIDA, RELATIVE TO COTTON.

TUESDAY, December 1, 1908.

Mr. Chairman and gentlemen of the committee, I appear before your committee in behalf of certain of my constituents who are engaged in the business of raising this long-staple cotton. I am a Democrat and represent a Democratic State, with protection proclivities for Florida products.

I have presented to this committee, so that there might be no question about it, statistics showing how near to the line of prosperity and how far away from the line of poverty the average farmer in Florida is. I understand that under the beneficent system of protection, to use Republican language, the industry of beet sugar is vieing with the manufacturer in the East as to how many people in those particular industries can ride in automobiles. Under the doctrine of protection, if it is credited with its full force, it has the power through legislation to raise the price of an article to the producer.

Under the influences of the Dingley tariff unquestionably the price of tobacco was raised in my district and in the southern part of Georgia, where they have grown a tremendous amount of domesticated Sumatra tobacco. Under that element of protection afforded our people many of those engaged in that business in my district and the vicinity have gotten rich. If that be true, then, and if the American people have continuously, for quite a number of presidential elections, emphasized the point that they will not depart at present from that theory, and have declared that it is a reasonable and honest proposition that they can by legislative protection raise prices to the American producers, then I ask the benefit of that system on a crop in my State that can be made a highly remunerative article of commerce—an article that is American-grown and grown in a limited area and confined to certain American geological sections. I state that the Egyptian article does come into direct competition with this cotton raised in Florida, Georgia, and other sections. That cotton raised in this country is known as the long-staple cotton. This is just the whole of it.

The beet sugar people come here and contend strenuously for a tariff on their product against Philippine sugar, and therefore in reference to this staple I stand squarely on the ground that since the American people have not departed from the principle of protection to American industries, then, as a representative from a State which raises an article which will be directly in competition with an article from Egypt, raised with Egyptian labor and skill and science, I simply want to say that so far as this article is concerned I want to vote against that Egyptian cotton so as to prevent its importation into this country. So long as that policy is to be continued I want a reasonable protection to the people of my district and I want them to get the advantages inuring to the people of the North and West through this protective policy.

I am not going to make a tariff speech. I will leave that to the extra session. I am planting myself squarely upon that proposition for the people of Florida and southern Georgia in reference to this article which is strictly American, so that the article can be made more profitable to the farmer.

It is superfluous and unprofitable for the members of this committee on either side of the chairman to ask as to how much the farmers of Florida and southern Georgia can stand in the way of competition before they are driven out of business. I know of the conditions in my district. I do not know of a single farmer raising this long-staple cotton that is up-to-date with a twentieth century crop. I am somewhat acquainted with the State represented by my distinguished friend, Mr. Clark, a member of this committee. I know that the condition of the cotton raisers is that of semi-independ-

ent. I mean by that that they do not possess any of what might be called the luxuries of life, and yet they are not fit subjects for the poorhouse. They are not fit to be committed for vagrancy. These suggestions are sometimes thrown out when we are on the stump. There is but one class of men who are making a profit on beet sugar; I mean the men of the Northwest; in our section the only ones who are doing well are the tobacco men, and I can see them getting along well right under my own eyes. I ask this for my State because the beet-sugar people are protected and the tobacco people are protected in my State under this protective policy. This convention of farmers believe it is necessary that this protection be placed upon this article to insure them a reasonable profit for their agricultural labor and in the furtherance of an expanding industry—such protection as will, if you want to know it, increase prices on that article to the farmer to enable him to employ his labor at a profit. This will give the farmer pay for his labor, plus a profit to the laborer he employs.

It is unnecessary to argue the question from the standpoint of a Republican or a Democrat. My State is solidly Democratic, but as long as the American people continue this protective system, I want it adjusted so that it will not swindle anybody. This I ask, in addition to cotton, for the citrus fruits in my State, the tobacco, pine-apples, and early vegetables; and we will be coming before this committee, if necessary, unless sentiment changes, asking this committee, both the minority and majority, whether Republicans or Democrats, that they will grant to our people just the same protection as they grant to the beet sugar people or to the people of any other industry, whether it be steel or any other product, that the majority of this committee may represent in their sections.

Mr. GAINES. Suppose there should come out of this committee two bills, one containing the protection that you ask for now, and the other a bill for revenue only, which one would you support?

Mr. LAMAR. I would support the one granting protection to cotton. I had a bill before this committee to that effect. I will answer some questions propounded by my distinguished friend from Missouri, Mr. Clark, and say that you should protect our citrus fruit. When the committee begins slashing the duty on steel or on zinc made in the State of Missouri, or when the committee begins slashing, either horizontally or perpendicularly, any other article, then it will be all right to hit an article grown in my State.

Mr. CLARK. I am not in favor of a tariff on zinc.

Mr. LAMAR. Then you are opposed to your own church. Have your ministers not prayed to the Lord that zinc be protected?

Mr. CLARK. I am not favorable to the action which has been adopted by a few preachers down at Carthage and Joplin who committed sacrilege when they prayed to the Lord in the name of religion for a tariff on zinc, thus putting religion into disrepute.

Mr. LAMAR. I would hate to buck the ecclesiastics.

Mr. CLARK. I will buck that sanctimonious crowd down at Carthage and Joplin.

Mr. LAMAR. I do not know but what they may be right.

Mr. CLARK. They may be and they may not be. I simply put in these remarks so that I will not be accused of favoring a tariff on what happens to be raised in my district, to favor somebody else's

tariff. Can they raise tobacco on this particular soil on which they now raise cotton?

Mr. LAMAR. I think not. The land that is adapted to cotton is adapted to it specifically and will not raise anything else as well. That is true just as certainly as that they can produce anthracite or bituminous coal in certain sections of Pennsylvania.

Mr. CLARK. Can they raise anything else except cotton?

Mr. LAMAR. Yes; they raise peas, beans, and the ordinary agricultural crop.

Mr. CLARK. Are those profitable?

Mr. LAMAR. I will answer that by saying that this is the concrete view of the condition of the people living there. They are semi-independent, no more and no less.

Mr. POT. I agree with what you say, that there is more justification for protecting the farmer than there is for the protection of any other industry, but I am not going to vote to protect anybody. If these other industries that you have mentioned were not protected, would you be here asking for a duty for this sea island cotton?

Mr. LAMAR. I would answer that question by saying that that is a matter that has involved parties in discussion in this country for nearly eighty years. I simply say that so long as the country has pronounced in favor of protection generally, we want a square deal, and we want a protection for our cotton.

I do not care anything about political platforms. If there is anything in the Denver platform which is against Florida, I am against that platform, and after the election, the people having ratified the Republican platform, I am for that pronunciamiento for my section.

Mr. HILL. Do these people in the South raise more than one crop of this staple?

Mr. LAMAR. I understand that they begin to plant early in the season.

Mr. HILL. Can you give the committee any idea as to the cost of this product as compared with the cost of the Egyptian cotton?

Mr. LAMAR. I will file some data on that subject as early as possible.

Mr. HILL. You are aware that land in Egypt is worth about three times as much as your land in Florida; and in Egypt labor is as high if not higher. I know something about that, because I was there last year.

Mr. LAMAR. I am not thoroughly posted on what you might call the exact status of the Florida farmer and as to how far he may be raised above the line of poverty.

Mr. HILL. They raise three crops in Egypt.

Mr. LAMAR. And we raise only one.

Mr. COCKRAN. I do not think they raise three crops of cotton.

Mr. HILL. No; not of cotton, but the rate of wages is higher in Egypt.

Mr. LAMAR. I do not know whether that is true or not. They raise three crops to our one. I want to make only one further point, and that is that I understand that the President-elect has declared for a tariff on pottery made in his own State.

Mr. HILL. Do you know anything with respect to the cost of the product here? It seems to me that you ought to be able to furnish the cost of the product, so that we can be able to judge of it.

Mr. LAMAR. I will do that at an early date. The doctrine of the Republican party has been that American industries can be expanded under a protective tariff, and that it will result in direct good to the producer and consumer; and I simply make an appeal for that treatment for this article and others grown in the States of Florida, Georgia, and North Carolina, which States have not at the present time sufficient margins between the costs of production and the prices as against foreign competition. They simply ask a sufficient amount to guarantee some profit over and above the cost of production as against the foreigner. If the minority of the committee are not in favor of this proposition I should be pleased to have the majority consider it.

Mr. HILL. Has it ever been proposed to grow this sea-island cotton anywhere else in order to meet the demand?

Mr. LAMAR. I am told that they raise 5,000 bales of this cotton to-day in my State, and that they have not sufficient profit on the article to meet the cost of production.

Mr. HILL. What you ought to do would be to step in and regulate the middleman.

The CHAIRMAN. While Mr. Price and the other gentlemen who spoke are here I would like to say that if possible they should give us the detailed cost per pound of raising cotton in Florida for the year 1907. We would like to have that data near the close of the week.

Mr. CLARK of Florida. We will be able to furnish satisfactory evidence to sustain our claim made here to-day.

STATEMENT OF DR. CHARLES F. MCKHANN, OF LAKE CITY, FLA., REPRESENTING SEA-ISLAND COTTON GROWERS.

FRIDAY, *December 4, 1908.*

The CHAIRMAN. Mr. McKhann, what subject do you want to talk about?

Doctor MCKHANN. Sea-island cotton.

The CHAIRMAN. Well, we will hear you briefly on that. We have heard a good deal about it. How much time do you want?

Doctor MCKHANN. I do not want very long; just a few minutes.

The CHAIRMAN. You may proceed.

Doctor MCKHANN. Mr. Chairman and gentlemen of the Ways and Means Committee, I am here in the interest of the sea-island cotton growers of Florida, asking a duty on Egyptian and other foreign cotton. These people are in a deplorable condition in the sea-island cotton belt. The average farmer raises from 5 to 10 acres of sea-island cotton. He makes from 3 to 5 bales of cotton in a season, which brings from \$40 to \$100 per bale. Now, 75 per cent of these farmers, in order to raise this cotton crop, have to go to what is called the supply man and mortgage their mule and farm for supplies to raise this cotton. At the end of the year, when the cotton is gathered and delivered to the supply man, they have used up the entire crop and have nothing left.

The CHAIRMAN. Are there any questions? That is all, I think.

Doctor MCKHANN. I tried this cotton business myself—

The CHAIRMAN. How is that?

Doctor MCKHANN. I tried 10 acres of cotton, planted and fertilized, one year. I hired the work done. That 10 acres of cotton cost me \$172 for fertilizer, plowing, planting, cultivating, picking, and marketing. That crop of cotton sold for \$160, being a money loss to me after paying all expenses of \$12.

Mr. CLARK. Are you a practicing physician?

Doctor MCKHANN. No, sir. I have been.

Mr. CLARK. Are you a farmer?

Doctor MCKHANN. No, sir.

Mr. CLARK. It was a case of the doctor supporting the farmer, was it not?

Doctor MCKHANN. No, sir; I am not practicing medicine. I will say I was born north of the Mason and Dixon line. My home is in Ohio, but I live in Florida.

Mr. CLARK. I do not see that that makes you any better than if you had been born south of the Mason and Dixon line.

Doctor MCKHANN. It does not make any difference where I was born; but I can not raise cotton in Florida at the present price and conditions.

Mr. CLARK. The truth is, is it not, that you did not know how?

Doctor MCKHANN. I do not know how, but I have been in touch with that business for years for the Florida Central and Peninsular Railroad, and I have had experience enough to know, taking people to Florida, that a man raised north of the Mason and Dixon line can not raise cotton in Florida and make a living.

Mr. CLARK. I expect that is true. They do not know how.

Doctor MCKHANN. The men down there do not know how, either. They can not raise sea-island cotton in such a way as to be profitable under the present conditions. I wish to cite you a typical case. One of the best sea-island cotton farmers I ever knew, and one of my best friends, owned a farm in Florida, with 27 acres in cultivation, and a comfortable five-roomed house for Florida. His wife was born and raised on this farm, her father's homestead, and he was born and raised on a cotton farm in the same county. My friend was the father of five daughters, ranging in age from 5 to 20 years. This man was a successful sea-island cotton grower. He commenced in January to cut and pile and burn his old stocks, and his daughters helped in the field when the cotton land was plowed and bedded. The daughters helped plant cotton. They helped chop it, hoe it, and plow it. They helped pick it, bag it, and house it. These daughters also helped to plant corn, sweet potatoes, sugar cane, and pinders; in other words they worked in the field from January to December. They made plenty to eat—grits, sweet potatoes, sirup, sugar, and bacon; or as my friend, Mr. Webb, of Georgia, says, "Hog and hominy." This farmer did not go in debt, but paid as he went. Now, this farmer wanted to buy 40 acres of unimproved land adjoining his farm, that was offered for \$2.50 per acre, or \$100 for the 40 acres. He and his daughters worked for ten long years to save \$100 to buy that land, and these daughters went to school just three months in ten years. That school was taught by the wife of

an Iowa farmer, who had come to Florida to raise sea-island cotton, and stranded in the business. Then his wife had to teach school to get money to take herself and husband back to Iowa. If this sea-island cotton growing was a profitable industry, there are about four or five million acres of improved and unimproved land lying idle in southeast Georgia and northeast Florida that is adapted to the growth of sea-island cotton that would be utilized by the farmers from the East, West, North, and South settling on that land. They could make themselves comfortable homes in that fine climate, and we would be raising every pound of sea-island cotton used in the United States. With a tariff on foreign cotton we could produce 1,000,000 bales of sea-island cotton or even more, instead of 80,000 as at present, and importing the balance used from Egypt. These farmers from Georgia and Florida have been very modest in their pleadings, and request only a tariff of 10 cents a pound on Egyptian cotton, when it should be a tariff high enough to prohibit Egyptian cotton from the United States, so that the sea-island cotton growers of Georgia and Florida may become prosperous farmers, and able to educate their sons and daughters, the same as the farmers and wool growers of the North and West.

Mr. CLARK. I know Mr. Bates, Attorney-General under Mr. Lincoln, had a fine farm in my district, and he always said that Lawyer Bates supported Farmer Bates. I have nearly always found that to be the case when lawyers and doctors go to farming.

Doctor MCKHANN. I do not depend upon the practice of medicine for my living.

The CHAIRMAN. Are there any other questions? That is all, Doctor.

Doctor MCKHANN. All right. Thank you.



HARRY JORDAN, OF ATLANTA, REPRESENTING ASSOCIATION OF COTTON PRODUCERS, ASKS FOR DUTY ON COTTON.

ATLANTA, GA., *December 7, 1908.*

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: As president of the Sea Island Cotton Association and the National Cotton Association, which two organizations embrace a very large element of cotton growers engaged in the production of sea-island and long-staple cotton in the Southern States, I respectfully beg to file an appeal with your committee for the speedy enactment of an amendment to our present tariff laws by which an import duty of not less than 40 per cent shall hereafter be imposed on the market valuation of all foreign raw cotton imported to America which can be used as a substitute or competitor by American mills against similar grades raised in this country. The southern cotton growers of sea-island and long-staple varieties earnestly desire the levy of this import duty by the Federal Government in view of the fact that the heavy and constantly increasing annual importations of Egyptian raw cotton into this country by American manufacturers is becoming a serious menace to the pro-

duction of such grades of cotton in this country. In 1907 the importations of Egyptian long-staple cotton was 90,000 bales, which was 10,000 bales in excess of the total production of sea-island cotton in the States of Georgia and Florida for the same period. These importations are constantly on the increase and seriously affect the price of not only the sea-island productions of Georgia, Florida, and South Carolina, but between 300,000 and 500,000 bales of long-staple cottons annually produced in the Mississippi Delta and territories adjacent thereto.

It is altogether unfair to give high protection to American manufacturers against the shipment of manufactured cotton goods from abroad into this country and at the same time allow the importations of raw cotton into this country duty free. American mills under this process are protected against competition from foreign mills, while they are given the power to regulate the price of sea-island and long-staple cotton raised in this country by the importation of Egyptian varieties of raw cotton duty free. Under this system the highly civilized and progressive American farmer is made to compete with the practically enslaved peasantry of Egypt. We do not believe that these conditions represent the true policy of the American Government. Either the protective duties favoring American manufactured cotton goods should be wiped out entirely and the American mill owners placed on a parity of competition with American cotton growers or a duty of at least 40 per cent of the market value of all grades of Egyptian and other foreign-grown cotton should be levied against the importations of such cottons into this country. There are many mills in America to-day which are using only Egyptian cotton, which they receive at their mills duty free, while the finished product of their mills is protected by a duty of from 40 to 60 per cent against the competition of similar products manufactured abroad.

The southern cotton growers of these varieties are asking for a fixed duty of 10 cents per pound on all grades of Egyptian cotton shipped into this country. Such a duty would at once mean an increased demand for long-staple varieties in this country by American mills, and would stimulate production of these varieties, especially in the Delta of the Mississippi, where competition with Egyptian cotton under existing conditions is not profitable.

This is a plain presentation of the case, and the fixing of a duty as requested would mean the increase of many millions of dollars annually to the producers of sea-island and long-staple cotton without injury or detriment to American manufacturers. We hope to secure your favorable indorsement of the proposition herewith submitted.

Yours, respectfully,

HARRY JORDAN,
President Sea Island Cotton Association;
President National Cotton Association.

**C. LEE M'MILLAN, NEW ORLEANS, SUBMITS STATEMENT OF
AVERAGE PRICE OF COTTON SINCE 1890.**

NEW ORLEANS, *December 4, 1908.*

HON. SERENO E. PAYNE,
Chairman Ways and Means Committee,
Washington, D. C.

DEAR SIR: It now affords me much pleasure to hand you herewith a statement giving the average price of cotton each year at the ports since 1890 up to present year; also to-day's quotation of middling cotton in New Orleans.

* * * * *

Yours, respectfully,

C. LEE McMILLAN.

NEW ORLEANS, *December 3, 1908.*

C. LEE McMILLAN, Esq.

DEAR SIR: Pursuant to your verbal request of to-day, I append below average prices of cotton for the United States for periods named, according to the official records of the New Orleans Cotton Exchange, viz:

	Cents per pound.
1890-91-----	8.60
1891-92-----	7.30
1892-93-----	8.40
1893-94-----	7.50
1894-95-----	5.92
1895-96-----	8.18
1896-97-----	7.32
1897-98-----	5.64
1898-99-----	5.25
1899-1900-----	7.65
1900-1901-----	9.33
1901-2-----	8.60
1902-3-----	8.82
1903-4-----	12.94
1904-5-----	8.85
1905-6-----	11.70
1906-7-----	10.55
1907-8-----	11.42

The price of middling cotton in New Orleans to-day (December 3, 1908), according to the official quotations of the New Orleans Cotton Exchange, is $8\frac{7}{8}$ cents per pound. Of course the above are not the farm values, but the average of the different markets.

Yours, very truly,

HENRY PLAUCHE,
Assistant Secretary New Orleans Cotton Exchange.

ADDITIONAL STATEMENT OF HON. FRANK CLARK, M. C., IN ADVOCACY OF PLACING A DUTY ON RAW COTTON.

WASHINGTON, D. C., *December 14, 1908.*

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: As additional to what has been said and submitted in behalf of the levying and collection of a duty on all long-staple raw cotton imported into the United States, either in lint or in seed, from Egypt, Peru, the British West Indies, and other foreign lands, I shall submit, first, a letter from the Hon. Alex. St. Clair-Abrams, of Jacksonville, Fla. Major St. Clair-Abrams states the case so clearly and has such an intimate knowledge of conditions that I feel I can do no better than simply submit his letter for your consideration. The letter is as follows:

JACKSONVILLE, FLA., *December 8, 1908.*

HON. FRANK CLARK,
House of Representatives, Washington, D. C.

MY DEAR CLARK: I have received your letter as well as the pamphlet on the tariff hearings. There is one matter that I do not think has been sufficiently impressed on the committee and it is this: That you can only raise long cotton or sea-island cotton on light sandy soil, while short staple cotton can be raised on clay and other heavy soils. On the light sandy soil the average of lint on the long or sea-island cotton varies from 100 to 125 pounds per acre, while on the short cotton the average will be 200 to 500 pounds per acre. Therefore, it is not only the difference in price of labor and the cost of picking, but also the difference in the average production of cotton which bears most heavily upon the grower. I think you could have safely stated to the committee, and can still safely state to them, that in Georgia, South Carolina, and Florida there is enough of this light sandy soil adapted to the cultivation of long or sea-island cotton to supply not only the United States but the world.

As a result of the average low price and the uncertainty, caused by the competition from free Egyptian and other cotton, the children of the farmers who are raising the staple, instead of going into the same business, leave the farms and seek other and more profitable avocations, and the result is that instead of the staple increasing in volume every year it remains about stationary and is principally cultivated by the older men, who have no other occupation and are not familiar with any other business that could prove more profitable.

When I came to Florida, in 1874, there was a great deal of long cotton raised in Putnam, Marion, Orange, Volusia, Brevard, Polk, Hillsboro, and Manatee counties. To-day not a bale of cotton is raised in those counties, although there are hundreds of thousands of acres of land in them admirably adapted to the culture of the staple. The decline in the price has been the sole cause of the people abandoning the staple as a farm product. It is perfectly clear to my mind that unless a protective duty is imposed on this cotton that within twenty years there will not be a bale of sea-island cotton raised in the South.

It is not a question of apprehension as to the future, but a question of the actual condition which exists at the present time. Under ordinary circumstances our production of long cotton should have increased fourfold, instead of which it has either remained stationary or is actually declining. In the meantime thousands of our young men, both white and black, who were born on these long-cotton farms, are annually leaving them because they see no hope of making even a fair living out of its culture. To stop this exodus and abandonment of these farms, to keep these young men on them and afford them a reasonable opportunity of earning a fair profit, is certainly worthy of the attention of Congress.

As you have properly stated, for years I have given this matter a great deal of attention and study. Not a few of my clients have been utterly ruined by the low prices of long cotton and have seen their farms sold from under them as a result, and they driven, in their mature years, from the homes where they were born to live a life of struggling poverty elsewhere.

Because of my knowledge of the situation and my advocacy of a protective tariff, I refused in 1888 to accept a nomination for Congress tendered to me at Orlando by a committee as a result of the long drawn out struggle between General Bullock and Hon. John E. Hartridge, on the sole condition that I would pledge myself to abide the action of the Democratic caucus on the subject of the tariff. I mention this fact only to show how many years I have had this matter in my mind.

I regret exceedingly that I could not have been in Washington to have aided you in this matter, and wish you the most complete success.

If you think this letter will help you any you are at liberty to file it with the committee.

Repeating my sincere hope that you will be successful in obtaining this much needed and much merited relief to the long-cotton growers of this State, I am, my dear Clark,

Very truly, yours,

ABE ST. CLAIR-ABRAMS.

I have made every possible effort to secure exact figures as to cost of production of cotton in Egypt. I have been enabled to secure what I regard as authentic information touching the labor cost in Egypt. I made the statement in my former address to the committee on this subject that labor in the cotton fields of Egypt only commanded a wage of from 10 to 20 cents per day. It seems I was in error, because from the evidence which I shall now furnish the committee it appears that laborers in the upper Nile section receive a wage of from only 9 to 11 cents per day.

I herewith submit a letter from the Hon. Charles P. Neill, Commissioner of Labor of the Department of Commerce and Labor, under date of December 9, 1908, which speaks for itself:

WASHINGTON, December 9, 1908.

HON. FRANK CLARK,

House of Representatives, Washington, D. C.

DEAR SIR: Your request to the Bureau of Statistics, Department of Commerce and Labor, for information regarding the cost of field labor in the cotton fields of Egypt has been referred to this office for attention.

In reply I would say that exact and recent data on this subject are not available. The best information which I can supply you is the following extract from the United States Monthly Consular Reports for 1904, page 1107:

"Wages in Egypt.—The Deutsche Kolonial Zeitung of April 7, 1904, says that of the population of Egypt, which is about 8,000,000, only a few are engaged in commerce and industry; the greater part are devoted to agriculture. The labor supply is large and wages are low. In Upper Egypt wages are from 9 to 11 cents per diem; in Lower Egypt, 13 to 18 cents. Board is never furnished. In addition to wages by the day or the month (the latter for overseers), payments may be made according to the work. For example, to plow $1\frac{1}{4}$ acres, 94 cents; to irrigate it, 70 cents. The fellahen prefer to receive their wages in natural products, particularly shares of the crop—as, for sowing and reaping, 5 per cent of the grain; for thrashing, 1 per cent of the grain and 1 per cent of the straw. In growing cotton on bad ground they receive one-third to one-half of the crop; on good ground, about one-fifth of the crop and the refuse parts of the cotton plant, to be used as firewood. In the case of corn, the laborer gets one-half the crop; in rice, which requires irrigation, three-fifths. The fellahen do not like to work where it is necessary to use the sakieh or shadoof (mechanisms to draw water by animals or by hand, respectively). On the whole, the position of the laborer in Egypt is not good."

Hoping that this information is sufficient for your purpose,

I am, very truly, yours,

CHAS. P. NEILL, *Commissioner.*

I desire to state to the committee, in conclusion, that since the hearing on this subject, December 1 last, I have been to Florida, and my further investigation of the subject convinces me of the truth of the following:

First. There exists in the sea-island cotton belt of the United States sea-island cotton-producing land sufficient to supply any demand for this product in the United States.

Second. No one now engages in the production of sea-island cotton as a money-making proposition. The sea-island cotton now grown in Florida is chiefly grown by the very small farmer, who makes a support for his family otherwise and simply plants enough of this cotton (which is generally worked and gathered by his children) to make a bale or two of lint, thus guaranteeing to him some ready money at Christmas time.

Third. Eighty to 100 pounds of lint under present methods, and without the use of fertilizers per acre, is a fair average crop of sea-island cotton for Florida.

Four hundred and fifty pounds of lint per acre, with the present crude methods of cultivation and without the use of fertilizers, is considered a fair average crop in Egypt.

Fourth. Labor in the Upper Nile region in Egypt is from 9 to 11 cents per day and in the Lower Nile region it is from 13 to 18 cents per day.

Counting twenty-six working days to the month, and multiplying the said twenty-six days by the average wage, which would be 13½ cents per day, we would have \$3.51 as the average monthly wage paid laborers in the cotton fields of Egypt, as against from \$25 to \$30 per month paid to farm laborers in the sea-island cotton region of Florida.

Fifth. Conditions surrounding the production of sea-island cotton in the United States have grown worse year after year, and unless something is done to save the industry the time is close at hand when not a pound of sea-island cotton will be grown in the United States.

In conclusion, I desire to print with these remarks a clipping from the *Evening Metropolis*, a newspaper published in Jacksonville, Fla. The item is a telegraphic dispatch from the town of Alachua, a town of about 1,000 inhabitants located in the heart of the sea-island-cotton belt, and has been always one of our principal markets for sea-island cotton.

The news clipping speaks for itself and I herewith present it:

BACKSET FOR COTTON—GROWERS NEAR ALACHUA HAULED STAPLE BACK HOME.

ALACHUA, December 14.

Something that has scarcely ever happened in the county, and never at Alachua, is the fact that cotton offered for sale has had no buyers.

This place has not only always paid more for cotton than any other place in the county, but has generally been the leader of the State, and the fact that cotton has been offered for sale by the growers there for the past several days without buyers certainly shows that the market is in bad shape.

It has always been said that cotton is one thing that the farmer could depend on to get cash out of, but the present crop will doubtless make many of the larger growers look to other products another season and see if cotton can not be again brought up to where it will pay the farmer to grow it.

Respectfully submitted,

FRANK CLARK.

PURIFIED COTTON.

[Paragraph 537.]

**SEABURY & JOHNSON, NEW YORK CITY, ASK SPECIAL PROVISION
AND RATE FOR PURIFIED COTTON FIBER.**NEW YORK CITY, *December 1, 1908.*COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: This petition relates particularly to cotton fiber, highly purified and advanced in value by reason of being subjected to more or less elaborate mechanical and chemical processes in order to produce a finished product, which is not "cotton" (the crude cotton fiber as ordinarily understood), or "cotton waste or flocks," as commonly recognized in the market, and therefore should not enter this country duty free under paragraph 537, "cotton, and cotton waste or flocks," of the present tariff act.

Since the enactment of the present tariff, cotton fiber, whether originating from the crude or raw staple or recovered by any of the numerous processes well known for recovering the cotton fiber from spun or woven cotton products and freed from mechanical impurities and from oil, gum, and other natural and foreign constituents there might be beyond the pure cellulose of the fiber itself, and rendered free from the chemicals necessary to produce the purified cellulose—such purified cotton fiber has found extensive new uses in the manufacture and production of smokeless powder, artificial silk, filaments for incandescent electric light bulbs, varnishes, lacquers, celluloid, and doubtless other uses more or less the subject of trade secrets.

These new uses of this purified cotton fiber have made its manufacture the subject of special attention and have resulted in a very large trade in this special product, and importations of thousands of bales have entered this country from Europe duty free under paragraph 537, and at an invoice valuation which makes it impossible for the American manufacturer to successfully compete notwithstanding the fact that the fiber itself is undoubtedly almost entirely of American origin.

The intention of Congress in paragraph 537 in the term (1) of "cotton" was most probably to cover raw or crude cotton in its various grades as commonly known in the markets of the world, and in the terms (2) of "cotton waste" or "flocks" to refer to waste or flocks which remained in their original condition and which had not become the subject of special manufacturing processes to bleach and purify them. The cotton waste or flocks which are well defined and well known and of everyday trade are very different and distinct from this purified cotton, which is practically never met in the regular business of those handling cotton waste or flocks. Very naturally, price being attractive, it would be handled by such dealers if offered to them as "cotton waste" or "flocks," but such terms would not correctly define the product.

Though this refined cotton be an article readily recognized as "cotton" it is not the cotton which we believe was intended by Con-

gress in paragraph 537, for this is a bleached and purified cotton, which, under the mechanical and chemical processes to which it has been subjected, has been changed in character and has been changed in use.

Changed in character from the unbleached crude or recovered fiber with oil, gum, and adherent impurities, to a bleached fiber free from natural constituents and from adherent impurities.

Changed in use through processes of purification and bleaching to which it has been subjected so as to bring it into a condition possible for nitration, or treatment with acids and other chemicals for its new-found technical and industrial uses.

When the present tariff was written, the uses for the bleached and purified product as hereinbefore stated were practically unknown, and new industries, particularly that of manufacturing smokeless powder with this purified cotton or cellulose as a basis, have been established. The conditions, therefore, that have arisen in recent years are new ones from a protective-tariff standpoint, requiring adequate provision in the tariff classification in the form of a special paragraph for this specific product, say under Schedule I, cotton manufactures, with adequate rate of duty to protect the American manufacturer.

It is held that the article is a manufacture of cotton and a specific product, and that a duty of not less than 2 cents per pound and 45 per cent ad valorem should be provided. The rate of duty here pleaded for is predicated on the knowledge that large quantities of this cotton have been repeatedly imported at an invoice value of 8 cents per pound.

The cheapest grade of cotton fiber likely to be used in the American manufacture of such a product would be "linters," and which at the present time would cost in the neighborhood of $4\frac{5}{8}$ cents per pound for the crude article of good grade. The cost of bleaching and purifying this fiber to bring it into the advanced state of the product under discussion, including a loss in weight of 24 per cent from weight of the original material, would be 3.3 cents per pound, making a cost of 7.9 cents, and with addition for general factory expenses of from $12\frac{1}{2}$ to 15 per cent, to a total factory cost of 9 cents. This figure is without any additions for selling expenses or profit or interest on investment, yet the imported product comes in at a valuation of 8 cents per pound, and if truthfully valued has had all these expenses added, which thus makes it impossible for the American producer to compete.

If made from comber waste, which is unbleached waste cotton fiber—and which is the grade of stock some of the importers claim some of the foreign article is made of—if made from such comber waste costing in the American market at the present time $8\frac{1}{2}$ cents per pound, the American manufactured or finished product would cost $12\frac{1}{2}$ cents, factory cost.

If made from crude or raw cotton, say, for instance, from the grade known as "middling" cotton, at $9\frac{1}{2}$ cents per pound, the price of the American manufactured product will have advanced to $13\frac{1}{2}$ cents, factory cost.

The rate of duty suggested protects only the product made from linters. To protect a product made from "comber waste" or "raw

cotton" (middling grade), the duty would have to be advanced to 6 cents or 7 cents per pound, respectively, and 45 per cent ad valorem.

The cost of manufacture includes the mechanical processes for freeing the crude fiber from dirt or for recovering or restoring the fiber from spun or woven cotton products, and the boiling, bleaching, and treating with chemics to purify; also the usual merchandise stock and labor charges. The proportion of labor in total factory cost varies with the type of cotton-fiber stock used, and this percentage varies from 10 per cent to 15 per cent to 24 per cent, respectively.

The merchandise stock (principally chemicals) other than the cotton itself costs abroad only 80 per cent of the cost of the same materials in America.

Labor costs abroad are but 60 per cent of the costs of the labor in this country. To enable the American manufacturer, therefore, to compete with the foreign manufacturer it is evident that an adequate rate of duty on the foreign product is imperative in order to protect the American manufacturer against the foreign competitor who may use for his product any one of the types of cotton fiber hereinbefore mentioned, each one of itself well defined and readily recognized when in the original state, but which when subjected to processes of manufacture necessary to produce the product in question loses identity in the finished product and can not always be readily distinguished, so that one can not declare with certainty from what source or grade of cotton fiber the finished product has been made. This is important as affecting invoice valuation on imports and as suggesting the rate of duty to adequately protect the American manufacturer, who, therefore, needs higher protection, as his product is made from the higher-costing "comber waste" or "middling" cotton.

Though desiring to engage in the manufacture of this special cotton product, we have found it impossible to compete and secure a market on account of the free entry of the European article.

We therefore respectfully suggest that the special paragraph or classification for the revised or new tariff law read as follows:

Cotton, derived directly from the raw staple or otherwise and purified for technical and commercial uses, 6 cents per pound and 45 per cent ad valorem.

Inasmuch as this imported product, which is absorbent, has been offered broadly for hospital purposes and for the same use as absorbent cotton (medicinal article) is used, introducing a similar damaging competition, it is urged that the duty on absorbent cotton (medicinal article), now in paragraph 68, be advanced from 25 to 45 per cent ad valorem.

Respectfully submitted.

SEABURY & JOHNSON,
By H. C. LOVIS, *Secretary*.

COTTON THREAD.

[Paragraphs 302 and 303.]

THE COTTON-THREAD MANUFACTURERS OF THE UNITED STATES
URGE RETENTION OF PRESENT DUTY.NEW YORK, *November 25, 1908.*

To the COMMITTEE ON WAYS AND MEANS,

House of Representatives, Washington, D. C.

HONORED SIRS: At a general meeting of the cotton-thread manufacturers of the United States, at which 25 were represented, the undersigned were unanimously appointed a committee to lay the views on the tariff of the said cotton-thread manufacturers before your honored body. This committee now begs to submit that the present tariff on cotton thread is absolutely required to enable the American manufacturers to compete with the lower-priced products of other countries, and that it is primarily a protection of American labor, its views in this connection being based on the following facts and conditions.

The following are the principal factors entering into the cost of manufacture—

Labor.—Schedule A, attached hereto, shows a comparison of the wages paid in this country with those of the principal thread manufacturers of Europe, as per report of United States Commissioner of Labor for 1900 (this being the latest report published). This shows that American wages are from 100 per cent to 200 per cent higher than those of England and from 200 per cent to 400 per cent higher than those of Belgium.

Cotton.—The American manufacturer has no practical advantage in the cost of American-grown cottons, as the ocean freight to Europe is very low, having at times been lower than the cost of freight to New England points. The freight on Egyptian cottons, which are very largely used for thread purposes, is slightly higher to the United States than to Europe.

The cost of mill supplies is estimated to be from 25 per cent to 40 per cent in excess of the European costs.

Fixed charges.—The cost of buildings and machinery being materially higher in America than Europe, the American manufacturer is burdened with much greater charges for interest, depreciation, etc.

Operation of present tariff.

The tariff on cotton threads is 6 cents per dozen of 100-yard units. This makes 12 cents per dozen of six-cord 200 yards, which is the standard article used in American homes. As per Schedule B, attached hereto, the selling prices of American manufacturers range from 35 cents to 47 cents net per dozen, comparing with corresponding English and Belgian prices from 18 cents to 33 cents per dozen, or, present duty added, from 30 cents to 45 cents. This proves that the present tariff on sewing cotton is not prohibitive; on the contrary, it gives ample opportunity for the importation of thread, and

it is only the reputation and popularity of the American trade-mark which enable the American manufacturers to retain their trade under present conditions. In addition to the thread used for home consumption, there are large quantities of thread used in factories manufacturing clothing, shoes, shirts, corsets, straw hats, etc. Generally speaking, trade-marks are of less value with this trade, and this branch of the thread business is therefore more open to attacks from competition and needs greater protection.

Condition of cotton-thread trade.

Competition among American manufacturers is very keen, and the margins of profit on many lines are reduced accordingly; in fact, in some cases goods are sold at net cost. In the last few years the number of thread manufacturers in the United States has increased largely, and any reduction of duty would be a particular hardship to these new makers, whose business is not yet protected by reputation or trade-marks to the same extent as that of the older manufacturers. (We attach Schedule C, covering the cotton-thread manufacturers of the United States.) Under the circumstances, any change in the tariff which will enable foreign competition to sell below the prices now ruling will be disastrous to the American cotton-thread industry, and will mean a large reduction of wages and the closing of many mills.

Export trade.

For the reasons explained in the paragraph headed "Manufacture of cotton threads" it is impossible for American manufacturers to compete in foreign markets. The export business done from the United States is absolutely insignificant, and whatever is exported is sold at the full United States market prices, f. o. b. American ports.

The facts and conditions as set forth in the foregoing memorial we trust will fully explain the status of the cotton-thread industry in this country and its great need for the present tariff protection, and we earnestly pray that your honored committee will make no change in the present tariff on cotton thread.

We are, with the greatest respect,

Your obedient servants,

W. H. HALL,
Representing Gardiner Hall, jr., & Co.,
South Wellington, Conn.

BLODGETT & ORSWELL COMPANY,

E. W. ORSWELL, *Treasurer.*

FLOYD CRAUSKA COMPANY.

FLOYD CRAUSKA, *Treasurer.*

THE SPOOL COTTON CO.,

THEODORE FRELINGHUYSEN, *Treasurer.*

R. C. KERR,

Of American Thread Company, New York.

EXHIBIT A.

Comparison of cotton-thread mill wages, United States and Europe.

	United States.	England.	Belgium.
Card room:			
Overseer.....	\$32.50	\$9.50	\$11.25
Picker tend.....	7.75	4.56	(?)
Clean and strip cards.....	7.80	5.00	(?)
Grind and set.....	10.00	5.10	2.80
Tend cards.....	7.70	8.00	2.58
Tend silver lap.....	6.90	4.86	(?)
Tend ribbon lap.....	6.75	4.86	(?)
Tend combers.....	6.60	3.65	3.18
Tend draw.....	6.60	4.25	2.88
Doff speeders.....	6.00	2.16	1.05
Carry bobbins.....	4.50	4.86	2.58
Tend slubbers.....	8.25	4.32	1.62
Tend intermediates.....	9.00	4.44	2.40
Tend roving.....	8.25	4.44	2.40
Tend jacks.....	7.75	3.54	2.40
Mule spinning:			
Overseer.....	27.50	10.68	4.20
Spinner.....	^a 21.00	9.00	4.92
Doffer.....	(?)	2.16	1.05
Carry.....	9.00	4.86	2.58
Cop winding:			
Winders.....	\$8.75	\$2.88	(?)
Ring twisting:			
Overseer.....	27.50	7.44	(?)
Section hands.....	11.50	3.42	\$5.88
Twisters.....	7.10	4.14	4.14
Doffers.....	5.25	2.16	1.05
Reeling:			
Reelers.....	8.50	3.54	2.46
Finishing:			
Dyers.....	10.40	5.58	6.18
Bleachers.....	10.40	4.74	2.82
Spoolers.....	8.75	3.33	(?)
Dressers.....	14.25	7.92	3.12

^aIncludes creelers and back boys.

EXHIBIT B.

Manufacturer's selling prices, 5-cord, 200-yard spools, United States and Europe.

	Cents per dozen, net.
J. & P. Coats, O. N. T., Mile End, 58 cents list price, less discounts.....	47.06
Brooks, 55 cents list price, less discounts.....	42.24
Chadwick, 54 cents list price, less discounts.....	42.20
Merrick, Willimantic, 60 cents list price, less discounts.....	42.20
Fields, 45 cents list price, less discounts.....	41.85
Charter Oak.....	40.00
Ideal.....	40.00
J. J. Clark's, 42 cents list price, less discounts.....	37.00
Warburton, 40 cents list price, less discounts.....	39.20
Western.....	41.00
Lamb.....	35 to 40.00

The last seven brands are believed to be sold in large quantities at lower prices than quoted above.

E. S. C. Co., net, \$3.97 per gross, or 33.08 cents per dozen—with United States duty added.....	45.08
British Thread Company, Cardigan Mills Company, and Walter Evans, net, \$2.93 per gross, or 24.42 cents per dozen—with United States duty added.....	36.42
Hicks Bullick Company, and Walker, net, \$2.82 per gross, or 23.50 cents per dozen—with United States duty added.....	35.50
Melville, net, \$2.35 per gross, or 19.58 cents per dozen—with United States duty added.....	31.58

	Cents per dozen, net.
Sandeman, net, \$2.77 per gross, or 23.08 cents per dozen—with United States duty added.....	35.08
Storey, net, \$3.19 per gross, or 26.58 cents per dozen—with United States duty added.....	38.58
Storey, net, \$2.53 per gross, or 21.08 cents per dozen—with United States duty added.....	33.08
Lowest German, net, \$2.66 per gross, or 22.17 cents per dozen—with United States duty added.....	34.17
Lowest Belgian, net, \$2.18 per gross, or 18.17 cents per dozen—with United States duty added.....	30.17

EXHIBIT C.

Cotton thread manufacturers of the United States.

Albaugh-Dover Company (Incorporated), proprietors of Western Thread Company, Chicago, Ill.; American Thread Company, New York, N. Y.; Ballou Yarn Company, Providence, R. I.; Bay State Thread Works, Springfield, Mass.; Bibb Manufacturing Company, Macon, Ga.; Blodgett & Orswell Company, Pawtucket, R. I.; Boas Thread Company, Stamford, Conn.; Bullard Thread Company, Holyoke, Mass.; Cairo Thread Works, New York, N. Y.; Chicago Thread Manufacturing Company, Chicago, Ill.; C. H. Crawley, New York, N. Y.; Cranska Thread Company, Worcester, Mass.; Dexter Yarn Company, Pawtucket, R. I.; Diamond Thread Company, New York, N. Y.; Eastern Thread Company, New York, N. Y.; Isaac Einhorn, New York, N. Y.; Florence Thread Company, Florence, N. J.; Globe Thread Company, New York, N. Y.; Green & Daniels Manufacturing Company, Pawtucket, R. I.; Gudebrod Brothers (headquarters New York City), Pottstown, Pa.; Gardiner Hall & Co., South Willington, Conn.; Hoard Manufacturing Company, Boston, Mass.; Hughes Manufacturing Company, Philadelphia, Pa.; Jenckes Spinning Company, Pawtucket, R. I.; Lamb Thread Company, Chicago, Ill.; Lawton Spinning Company, Pawtucket, R. I.; Locke Brothers, Boston, Mass.; H. E. Locke & Co., Boston, Mass.; Massachusetts Thread Company, Cincinnati, Ohio; J. C. Meyer & Co., Boston, Mass.; New England Cotton Yarn Company, Boston, Mass.; New York Tube and Spool Cotton Company, New York, N. Y.; Max Pollack & Co. (headquarters New York City), Willimantic, Conn.; Reliable Manufacturing Company, Central Falls, R. I.; Rhode Island Thread Mills, New York, N. Y.; Roxbury Shoe Thread Company, Roxbury, Mass.; Samoset Company, Valley Falls, R. I.; Smith & Dove Manufacturing Company, Andover, Mass.; Spool Cotton Company, New York, N. Y.; Standard Thread Company (headquarters New York City), Westfield, Mass.; Summit Thread Company, East Hampton, Conn.; Sterling Thread Company, Boston, Mass.; Shaker Thread Company, Pawtucket, R. I.; Sewing Thread Company, Pawtucket, R. I.; Seamans & Cobb Company, Boston, Mass.; Union Thread Company (G. A. Springmeier), Cincinnati, Ohio; Upham Bros. & Co., Philadelphia, Pa.; Wachusett Thread Company, Worcester, Mass.; William Warren Thread Works, Westfield, Mass.; Warburton Thread Company, Pawtucket, R. I.; John W. West & Co., Boston, Mass.

COTTON YARNS.

[Paragraph 302.]

STATEMENT OF C. MINOT WELD, OF BOSTON, MASS., WHO WANTS
AN INCREASE OF DUTY ON HIGHLY FINISHED YARNS.TUESDAY, *December 1, 1908.*

Mr. WELD. We respectfully present the following suggestion for the tariff on cotton yarns:

We consider the present schedule on single-carded yarns satisfactory, because a comparatively small labor cost has been added to the raw material. Since the present tariff bill was passed in 1897 the conditions of our business in regard to yarns advanced beyond the condition of single-carded yarns on cops has greatly changed, and the protection which was considered fair at that time is no longer adequate, as will be seen by the following figures taken from the records at the United States Department of Commerce and Labor. The various finishing processes which have been applied to most of the yarns now imported have so increased the value that the specific duties of the present tariff afford a much smaller protection than when the schedule was adopted. The following table shows some of the more important transactions for the years 1898–1907:

No. of yarn and year.	Rate of duty.	Pounds imported.	Value.	Duties.	Average price.	Average ad valorem.
	<i>Cents.</i>					
No. 20:						
1898	6	129,924	\$30,554	\$7,798	\$0.235	25.51
1907	6	449,087	149,486	26,946	.333	18.03
No. 30:						
1898	7½	76,192	24,761	5,714	.325	23.08
1907	7½	230,138	94,493	17,862	.411	18.25
No. 40:						
1898	10	130,131	64,991	13,013	.423	23.66
1907	10	647,264	366,123	64,726	.411	24.38
No. 50:						
1898	12½	45,015	13,476	5,627	.299	41.75
1907	12½	237,642	107,158	29,705	.451	27.72
No. 60:						
1898	15	165,060	50,401	24,759	.305	49.12
1907	15	968,876	471,952	145,331	.487	30.79
No. 70:						
1898	17½	261,036	93,048	45,681	.356	49.09
1907	17½	598,797	297,938	104,790	.498	35.17
No. 78:						
1898	19½	140,485	45,650	27,394	.325	60.01
1907	19½	475,843	279,122	92,790	.587	33.24
Total of all yarn imported:						
1898		2,742,951	1,057,598	289,122	.24	43.97
1907		6,902,481	3,521,860	1,071,891	.51	30.44

This advance in the average price on the imported yarn from 24 cents to 51 cents we believe to be due to the large proportion made from Egyptian, sea island, and other high-priced long-staple cotton, and more especially to the advanced state of manufacture which has added greatly to the labor cost. The large increase in the importation of these highly finished yarns shows the growing difficulty our manufacturers are experiencing in competing with foreign yarns.

In view of the facts shown by the above schedule, we believe that we are justified in asking for the following slightly increased tariff on the highly finished yarns which we offer in substitution for paragraph 302 of the act of 1897:

Cotton thread and carded yarn, warps, or warp yarns, in singles, whether on beams or in bundles, skeins, or cops, or in any other form, except spool thread of cotton hereinafter provided for, not colored, bleached, dyed, gassed, or advanced beyond the condition of singles by grouping or twisting two or more single yarns together, 3 cents per pound on all numbers up to and including No. 15. One-fifth of a cent per number per pound on all numbers exceeding No. 15 and up to and including No. 30. One-fourth of a cent per number per pound on all numbers exceeding No. 30.

Combed single and all twisted yarns or yarns advanced beyond condition of singles by grouping or twisting two or more single yarns together, whether on beams or in bundles, skeins, or cops, or any other form, except spool thread of cotton hereinafter provided for, 6 cents per pound up to and including No. 20, and on all numbers exceeding No. 20 and up to and including No. 50, three-tenths of a cent per number per pound; over No. 50, four-tenths of a cent per number per pound. If colored, bleached, mercerized, dyed, or gassed, an additional duty of one-tenth of a cent per number per pound on all the foregoing.

Mr. UNDERWOOD. I want to ask the witness a question. You say that you want increased duty?

Mr. WELD. On the highly finished yarns.

Mr. UNDERWOOD. I notice that, as given in the government figures here, the total output of yarns in this country is \$450,000,000. Is that about correct?

Mr. WELD. I am not able to answer that; but I think it must be that that includes cloth, as well, to some extent.

Mr. UNDERWOOD. This is only under the yarn schedule that I am reading. I notice that the importations amount to about three and one-half millions.

Mr. WELD. Three million five hundred and twenty-one thousand last year.

Mr. UNDERWOOD. That is about right?

Mr. WELD. Yes, sir.

Mr. UNDERWOOD. Then, according to this schedule, you have a production in the United States of four hundred and fifty millions as against an importation of three and a half millions; or the importations are less than 1 per cent of the production in this country. That practically gives you a prohibitive tariff on the great product of your industry now?

Mr. WELD. These importations are entirely confined, I think, to the higher grades of yarns.

Mr. UNDERWOOD. I understand that; but on the low grades of yarns the schedule to-day is prohibitive?

Mr. WELD. Practically.

Mr. UNDERWOOD. Do you think that the industry is entitled to a prohibitive tariff?

Mr. WELD. Well, I do not think so. There are many grades which are not produced in this country at all, in which we do not compete with the imported yarns.

Mr. UNDERWOOD. I understand that; but that only demonstrates the fact that the duty on the lower grades of yarn is more prohibitive; they are producing no revenue to the Government whatever. Under those circumstances, with the necessity for increasing the revenue, do you not think it is necessary to reduce this schedule rather than to raise it?

Mr. WELD. No.

Mr. UNDERWOOD. You think that your industry is entitled to absolute control of the American market, regardless of raising any revenue whatever, do you?

Mr. WELD. At present our prices on the highly finished yarns are made by the importers.

Mr. UNDERWOOD. But conceding that only the highly finished yarns are coming in and giving you any competition at all, do you not think that the people of the United States are entitled to raise some revenue from this schedule? They raise some revenue from iron and steel; they raise some from tobacco; they raise some from a number of other industries in the country. And do you not think that your industry (which is no longer in its infancy, but is of many years' standing) should have a duty under which some of the revenues of the Government can be raised from it?

Mr. WELD. I think that is a question which will be settled by the Ways and Means Committee.

Mr. UNDERWOOD. Then you do not stand on your proposition that we ought to raise this tariff instead of lower it?

Mr. WELD. I do stand on my proposition with regard to fine yarns. I have asked for no increase on the commoner qualities.

Mr. UNDERWOOD. On the commoner qualities of yarn you think it would stand a decrease of duty?

Mr. WELD. I have no reason to think so.

Mr. UNDERWOOD. You have no reason to think so?

Mr. WELD. No, sir.

Mr. UNDERWOOD. You still stand on the proposition that you are entitled to a prohibitive tariff. Now, while it is only a very small amount, I see that a small quantity of these cotton yarns are exported to Canada. When you go to the Canadian market you go at a disadvantage as compared to the English manufacturer. The differential in the duty is against the American manufacturer in the Canadian market. Is not that so?

Mr. WELD. I understand so; yes, sir.

Mr. UNDERWOOD. If you can compete with the English manufacturer in the Canadian market, where the differential is against you, do you not think it indicates that you would have some opportunity, at least, to compete with England in this market?

Mr. WELD. I do not think there is any material competition.

Mr. UNDERWOOD. Oh, it is only, I admit, a small amount; but it shows that competition can develop in a country where a differential of at least one-third of the Canadian tariff exists against the American manufacturer.

Mr. WELD. I do not think that practically there is any yarn exported to Canada at all. I think that is a fair statement.

Mr. UNDERWOOD. I wanted to understand your position on that point, as to whether you thought that your industry was entitled to a prohibitive tariff or not; that is all.

Mr. COCKRAN. As I understand you, you are not speaking here from any other point of view but just what you want to get for your own profit?

Mr. WELD. That is all.

Mr. COCKRAN. The public interests are not at all a matter with which you concern yourself? You leave that to us?

Mr. WELD. Yes, sir.

Mr. COCKRAN. That is it, of course.

**STATEMENT OF R. M. MILLER, JR., OF CHARLOTTE, N. C.,
WHO THINKS HIGH-GRADE COTTON YARNS SHOULD HAVE
INCREASED PROTECTION.**

TUESDAY, December 1, 1908.

Mr. UNDERWOOD. Will you give us the number of the paragraph that you are about to address yourself to?

Mr. MILLER. I do not recall the paragraph. It is the schedule on cotton yarn.

Mr. UNDERWOOD. You are still on cotton yarn?

Mr. MILLER. Yes; and underwear.

The CHAIRMAN. Proceed, Mr. Miller.

Mr. MILLER. I simply want to say that I am a new spinner of fine yarns. I am attempting to spin fine yarns in the South, and in order to do so I find that we need some protection from the old country. I went over the schedule paragraph as prepared by Mr. Weld, and it has my approval and indorsement. I believe that I am one of the first ones to attempt high-grade spinning in the South, and having said that, I do not know that I have anything more to say.

Mr. UNDERWOOD. I should like to ask you the same question that I asked the former witness. You contend that the present schedules are unsatisfactory on the high-grade goods, but you recognize the fact that the lower-grade goods have a schedule to-day that is prohibitive?

Mr. MILLER. I do not know, sir; I am not familiar with the low-grade yarns.

Mr. UNDERWOOD. That is indicated by the Treasury figures that are here.

Mr. MILLER. Yes, sir.

Mr. UNDERWOOD. If that is so, representing the milling industry you would not contend that your industry should stand out alone with a prohibitive tariff, when other great industries in this country are bearing some of the burden by having some foreign competition and paying some revenue?

Mr. MILLER. As I say, I can only speak of the fine grades. I am not familiar with the schedule on the coarser grades, and never have looked into it. I simply have to work against my own competitors from abroad.

Mr. UNDERWOOD. I wanted to understand whether you stood for a prohibitive duty in your enterprise, or whether you were willing or thought it proper for this committee to reduce the tariff so that these schedules should at least raise some revenue.

Mr. MILLER. I do not stand for a prohibitive tariff, sir.

Mr. UNDERWOOD. You think we ought to put these schedules on a revenue basis?

Mr. MILLER. What do you say?

Mr. UNDERWOOD. You think that instead of having a prohibitive duty, we should put these schedules on a basis where they will raise some revenue for the Government?

Mr. MILLER. Yes, sir; and at the same time give us protection in making fine yarns.

Mr. POW. Where is your factory located?

Mr. MILLER. In Charlotte, N. C., sir.

CERTAIN AMERICAN MANUFACTURERS OF KNIT GOODS ASK FOR REMOVAL OF DUTY FROM FINE YARNS.

READING, PA., *December 15, 1908.*

HON. SERENO E. PAYNE,

Chairman Ways and Means Committee, Washington, D. C.

DEAR SIR: The manufacturers of knit goods, subscribed below, respectfully submit the following statement for the consideration of your committee, in connection with the representations made by Mr. C. Minot Weld, of Boston, Mass., on December 1 on behalf of the spinners of fine cotton yarn.

Mr. Weld contends that the rates of duty provided in the Dingley bill are no longer adequate on twisted fine yarn and on yarns that are highly finished. He asks for an increase in duty on highly finished yarns which, if figured correctly, would amount to nearly double the present rates.

We are users of fine yarns and are somewhat familiar with the cost of spinning them, and we are free to assert that the present rates of duty are more than adequate; in fact, they are prohibitive. If it is the intention of Congress to protect American manufacturers only to the extent of the difference in cost between American goods and foreign goods, the duty on fine cotton yarn should be very materially reduced. We claim that the duties that are now being collected on cotton yarns per pound are fully equal to the total wages paid per pound by American spinners. We challenge Mr. Weld and his associates to disprove the general correctness of this broad statement.

Mr. Weld's figures of yarns imported in 1907 are misleading, inasmuch as 1907 was an exceptional year in the cotton industry of the United States and the spinners of cotton yarns were unable to fill the abnormally large demand, and as a consequence yarns were imported from England at any cost. The average imports for the last eleven years are very much below the figures of 1907, and are considerably less than 1 per cent of the total output of the American mills. The duty collected on imported cotton yarns is a mere pittance, and the American spinners certainly have complete control of the American market.

Compare with this our own industry, cotton hosiery. The total output of American mills amounts to only about \$43,000,000, according to the United States census of 1905. It would probably have been

\$45,000,000 in 1907, the most prosperous year we ever had. The importations of hosiery amounted to something like \$10,000,000, on which the Government collected \$4,500,000 in duty. In other words, over 20 per cent of the hosiery consumed in this country is imported, and the hosiery manufacturers have now and have always had the most severe competition from abroad, principally from Germany. Our German competitors absolutely control the American market in fine-gauge hosiery and fabric gloves, mainly because of the excessive duty now being levied on fine, highly finished yarns, which on 100/2 amounts to 30 cents per pound and on 200/2 to 60 cents a pound.

It will readily be seen that with this tremendous advantage in the cost of his raw material, the German manufacturer can very well afford to pay the duty on cotton hosiery and gloves and still undersell his American competitor. Hosiery manufacturers have attempted again and again to capture the market for fine-gauge, light-weight hosiery in the United States, and have been beaten to a standstill each time, and some of them have lost big money in the attempt.

As for cotton-fabric gloves, they can not be manufactured in this country at all, and the Germans control the trade absolutely from the cheapest lines up. It is safe to say that with reasonable duties on fine yarns and a fair protection on our finished product we could successfully compete with the German manufacturer all along the line and get our share of the trade in fine hosiery and gloves, as well as we have been able to compete successfully for the trade in cheap and coarse cotton hosiery.

Now, if the rates asked for by Mr. Weld are incorporated in the new bill, it will be absolutely impossible to import fine yarns from England for manufacturing purposes. The American spinners will have an absolute monopoly of the cotton-yarn business in this country. At present the business is practically controlled by a few large corporations with immense capital. The three concerns who practically rule this business to-day are the American Thread Company, the New England Cotton Yarn Company, headed by Mr. Weld, and the group of mills owned or controlled by Mr. William Whitman, of Boston. With prohibitive rates like those asked for by Mr. Weld and the competition of English spinners entirely eliminated, nothing could prevent the gentlemen controlling the above three concerns to get together overnight, and between the soup and the fish fix prices for their products to suit themselves, and to exploit the American market to any extent. The few independent American mills could easily be bought up or coerced into cooperation by the larger concerns.

It might be argued against this that the manufacturers of hosiery, gloves, and underwear would have a remedy in building their own spinning mill and manufacturing their own yarns. This is impracticable for several reasons. The hosiery and underwear industry is in the hands of a large number of small manufacturers, mostly individual concerns or partnerships, with very limited capital, and they are, perhaps, as a class of manufacturers the poorest in the country.

The business of spinning fine yarns requires very large capital, which the hosiery manufacturers have not had a chance to accumulate. They have never had, even under the Dingley tariff, more than a bare chance to fight, and such a thing as a compensatory rate to offset the duty on their raw material was never even asked for. We understand that our national association has now asked Congress

for a duty on cotton hosiery and gloves that will equal the difference between the cost of our product here and abroad, but as far as I know we have figured on the duty on yarns as provided in the Dingley bill and have not contemplated any increase. Against this increase, which would tend to still further hamper the development of our industry, we want to enter our most earnest and respectful protest.

We claim that a duty on cotton yarns of 2 cents a pound up to No. 20, and of one-eighth of a cent per number per pound on all numbers exceeding No. 20 up to and including No. 60, and one-tenth of a cent per number per pound on all numbers above No. 60 and up to No. 120, and no duty on all numbers exceeding No. 120, would give ample protection to American spinners. At least 95 per cent of all fine yarns above No. 120 is now being imported from England, but the excessive duty prevents them from being used largely by American manufacturers. Although the American spinners have had for eleven years an absolute monopoly of the American market, they have not even attempted to spin the fine numbers, simply because they have been making exorbitant profits on the coarser numbers, which it is easier to produce. We are satisfied that the removal of the duty on fine yarns would be of great benefit to the knit-goods industry and would furnish remunerative employment to thousands of workers in the hosiery, underwear, and glove factories of the United States and would enable the manufacturers to compete for the trade in fine gauge, high-priced cotton goods, which is now controlled by European mills.

In conclusion, we would call your committee's attention to the appended letter of Mr. R. A. Blythe, of 114 Chestnut street, Philadelphia, who is a dealer in cotton yarns, and who is also largely interested in cotton-spinning mills. Mr. Blythe has signified his willingness to furnish such facts and figures relating to the cost of spinning cotton yarns here and abroad as your committee may desire to have in order to decide what rate of duty would equalize the manufacturing cost of yarn between England and the United States.

Most respectfully submitted.

READING KNITTING MILLS,
CHARLES E. LEIPPE, *Proprietor*.
BERKSHIRE KNITTING MILLS,
FERDINAND THUN, *President*.
G. OBERLAENDER, *Secretary and Treasurer*.
RICK KNITTING CO.,
JAMES RICK, Jr., *Secretary and Treasurer*.

EXHIBIT A.

PHILADELPHIA, December 11, 1908.

MR. CHARLES E. LEIPPE,
Reading Knitting Mills, Reading, Pa.

MY DEAR MR. LEIPPE: I have read with much interest your letter to the chairman of the Ways and Means Committee. I heartily agree with you in every word and every sentence. However, you have not gone far enough. The statement you make that the present duty collected on cotton yarns equals the total cost of the wage production paid by the American spinner does not cover the

situation thoroughly. You could say that in many cases it far exceeds it. If you will take into consideration the longer hours in the American mill and the increased production, you can readily figure for yourself and to the satisfaction of any sensible person that the present duty is in excess in most every case, except on specially fine counts, such as 150's and above, which are not produced in America, of the actual cost of production.

I will have prepared for you, by competent expert mill superintendents, a tabulated statement of costs on as fine yarns as are produced in America. With all due respect to Mr. Weld, whom I have the honor to know, I would respectfully state that he knows absolutely nothing about spinning. He is the head of the trust, and is placed there to finance it, and I will venture to say that this gentleman, although he is the head of the spinning combine of this country, can not, if his life depended upon it, figure out in detail the cost of any number produced in any of the mills of which he is the head.

With very kind personal regards, I am,

Yours, very truly,

T. ASHBY BLYTHE.

**FRED STERNBERG & CO., NEW YORK CITY, RECOMMEND THAT
CERTAIN COTTON YARNS BE PUT ON FREE LIST.**

NEW YORK, *December 17, 1908.*

CHAIRMAN OF WAYS AND MEANS COMMITTEE,

Washington, D. C.

SIR: Regarding changes in tariff, I wish to put the following before you: Each loom on which textiles are manufactured needs an appliance which is called a "loom harness." For the manufacture of silk dress goods or silk ribbons these harnesses are made from nine or more fold cabled cotton thread, which is imported from Europe, especially Great Britain. For various years I have tried my best to have this cotton thread made in this country, with no success whatsoever. I have taken the help of the best domestic spinners, but have come to the conclusion that this article, for that purpose, can not be made in this country, as I believe that climatic conditions are against the successful making of the thread. Before I go further I wish to state right here that the article can not, as far as my honest belief is, be used for any other purpose.

The thread is used for silk goods in nine or more fold cabled cotton yarns in sizes from 80s up to 180s. The article pays now three-tenths of a cent per number per pound as cotton yarns finer than 79s, which is paragraph 302 of the Dingley tariff. If the article could be brought in free of duty, every silk manufacturer in this country would be benefited by it, as his harnesses would cost him at least 25 per cent less than what they cost him now, and the life of every such harness is only a limited one. There is a provision in the Dingley Act, under paragraph 320, for ready-loom harnesses made from this thread, which of course would have to stand the way it is now, as it applies to the ready harness imported, while my proposal is only for the thread used in such harnesses, and which latter are made in this country. In fact, my honest belief is that nearly all harnesses are made here and only a fraction of a percentage is still imported.

The reason why this thread can not successfully be manufactured in this country is, as far as my experience goes, the following:

The single yarn, made from combed sea-island and combed Egyptian cotton is so uneven, on account of the rapid and constant changes in our climate, that when twisted and cabled into nine or more cord the unevenness shows, and such uneven yarn can not be used for the harnesses. Furthermore, in cabling the thread, after twisting it first into three fold, the unevenness brings out the ready thread in so-called "corkscrew twists," which wears on the silk warp and cuts it.

I therefore respectfully would suggest to frame a special paragraph which would read as follows:

Cotton thread advanced beyond the condition of singles by grouping or twisting nine or more single yarns together, and not more than twelve single yarns, in all sizes finer than 79 single cotton number or size, whether in skeins or on spools, on free list.

I remain, yours, respectfully,

FRED STERNBERG & Co.

P. S.—At the present rate of duty (three-tenths of a cent per number per pound, par. 302) the actual percentage of duty is about 30 to 35 per cent of original cost of thread in Europe.

ARNOLD B. SANFORD, BOSTON, MASS., RECOMMENDS THE DUTY-FREE ADMISSION OF SIX-CORD THREAD YARNS.

BOSTON, MASS., *December 10, 1908.*

HON. SERENO E. PAYNE,

Chairman Ways and Means Committee,

Washington, D. C.

MY DEAR SIR: I am somewhat interested in the tariff hearings now being held by your honorable committee, especially that relating to our cotton manufacture, and with your permission will place before your committee some suggestions for their consideration as to the cotton-yarn schedules.

You doubtless will remember the writer, who has appeared at previous hearings of the McKinley, Wilson, and Dingley tariff acts advocating protective duties for yarn, my interest during those years being identified as general manager of two large corporations here in New England with an investment of \$2,000,000 of capital and producing annually \$2,500,000 of high-grade cotton yarns.

Having been actively engaged for twenty-five years in the manufacture and selling of yarns, with my practical experience thus acquired, it should give me a fair knowledge of the business and its requirements for industry. Through the wise protection given by our Government under the McKinley and Dingley acts the industry has expanded to marvellous proportions during the last twenty years, and we have still more fields to conquer and wrest from our foreign competitors by making still finer yarns in Nos. 100 to 200, which are now being imported, and should be made by our American spinners. Being a firm believer in the fundamental principle that the Government of the United States was created for the protection and

benefit of the people within our borders, we then must look to our Government for the relief and correction of any abuses which handicap and cause hardships in our social and economic conditions. Every sensible business man realizes the difficulties and obstacles which confront our legislators in the framing of a tariff bill and is willing to admit that it is impossible to make perfect schedules, or, if seemingly perfect when made, in the course of a few years they require adjustment, to meet changed conditions coming up in all kinds of business.

Having been a very careful student of the workings of the Dingley tariff duties on cotton yarns, owing to the fact that I have been charged more than any other man with the responsibility of the enactment of said duties, it was my original idea, and urged in every way possible, to have them incorporated both in the McKinley and Wilson acts by "assessing the duties upon the number of the yarns instead of their value," as the number of the yarn with quality specified gives the correct basis for its valuation.

This has proved to be a practical and scientific system and has effectually prevented undervaluations, and the cotton-yarn industry of the United States has developed to a wonderful growth under the protection given it.

Mr. Dingley, when our committee waited upon him, recognized its principle at once, and said he knew of my efforts in the past to secure this system, that he was favorable to it, and would do all in his power to see it put into the new tariff act which he was preparing.

After a while the importer and the foreign manufacturer found a way to circumvent and get around the Government and our domestic spinners by importing instead of No. 80 yarn a No. 78 yarn. This, as you are well aware, brings the duty on the 78 in the one-fourth-cent classification instead of three-tenths, making a loss of 5 cents per pound to the Government on every pound of the 80 which has been imported as 78 during the past few years. It is a well-known fact that very few of the consumers are able to detect the difference between the No. 87 and the 80 yarn. By this subterfuge the domestic spinners have lost largely in spinning the 80 yarn under the present tariff.

Changes in cotton-yarn schedule: This now brings me to the point of the changes in the present schedule to meet the present existing conditions of the industry, all of which are most respectfully submitted to your honorable committee.

During the operation of the Dingley Act there has come upon the market what is termed "mercerizing and gassed yarns." This is a yarn finished by the process of mercerizing and gassing to imitate and take the place of silk. This is an English patent, and a few years ago was first imported into this country. Our consumers had to pay 40 cents per pound over the natural yarn for the mercerized gassed.

By domestic competition capital has been invested here in the States to do mercerizing and gassing, and the cost of this work has been brought down to 15 cents per pound for mercerizing and gassing. As these yarns have been largely imported, and in justice to the capital invested here, and to protect our domestic spinners, it seems wise now to make provisions in the schedule to have this class of yarns bear a duty greater than the natural yarns, and I would suggest that all mercerizing and gassed yarns bear a duty of four-tenths of a cent per number per pound.

I would also recommend that the classification of one-fourth cent per number per pound from the 20s up to and including 80s be changed as follows: One-fourth of a cent per number per pound for No. 20 to 60, inclusive, and the classification three-tenths of a cent per number per pound be changed to No. 60s and above—to bear three-tenths of a cent instead of No. 80s and above..

SIX-CORD THREAD YARNS.

Under the Dingley Act an unusual opportunity was given to our American spinners to manufacture 6-cord thread yarns, known as "spool cottons." This has been entirely neglected, and I speak from the standpoint of actual knowledge of the spinning of cotton yarns here in America that you can not place an order to-day with any domestic spinner for 6-cord thread yarns suitable for spool cotton. Why? The manufacturer of this particular quality requires a great deal of experience—must be made by skilled labor and old, experienced manufacturers. Our spinners here do not want this business and will not make this class of yarn, preferring to manufacture the ordinary 2, 3, and 4 ply yarns, which do not require the perfection in their manufacture as do the 6-cord thread yarns for spool cotton. These yarns now are made exclusively by English spinners and by the English and American thread syndicates. The thread syndicates do their own spinning, both in England and America, and finish their own yarns, giving them practical control of this industry of spool cotton. As you are aware, they have entered into a combination both in England and America, making the consumers pay exorbitant rates for spool cotton, being an unnecessary tax upon every household, as common 6-cord spool cotton sells to-day for 6 cents per spool. It can be manufactured at a profit for 4 cents per spool. I would therefore recommend that section 303 be changed so as to admit of the importation of the 6-cord thread yarns. My reason for so doing is this: There are several independent finishing thread concerns who would like to import the 6-cord thread yarns and do the finishing here. If this can be done, it would also interest more capital in the business for finishing thread yarns. The effect would be, in my mind, a great benefit to the consumers of spool cottons and quite a revenue to the Government, and no injustice would be done our domestic spinners. The change I suggest would be that the 6-cord yarns other than spool cotton, now finished on small spools and tubes, the same be allowed to come in in the natural yarn in the form of hanks or skeins in bulk, also on tubes, spools, and cones in the natural, 12 ounces or over on each spool, tube, or cone, and pay a duty of three-tenths of a cent per pound per number. With these changes, as suggested above, the American spinners would have all the protection which is necessary for the industry; and I do not think it would be wise to increase the duties on common yarns or upon yarns from 20s up to 60s, inclusive, or to increase the duties on yarns upon 80s and above as now levied under the Dingley tariff act.

Trusting that these changes will receive your approval, I remain,
Yours, sincerely,

ARNOLD B. SANFORD,
President and Manager
American Cotton Yarn Exchange.

**JULIUS BRANDES MANUFACTURING COMPANY, PATERSON, N. J.,
OBJECTS TO SUGGESTED RATES ON COTTON YARNS.**

PATERSON, N. J., *December 8, 1908.*

Hon. S. E. PAYNE,
Chairman Ways and Means Committee,
Washington, D. C.

DEAR SIR: In the matter of the revision of the tariff on cotton yarns, we notice from the daily papers that the domestic yarn spinners have submitted a proposition to increase the tariff on gray yarns as follows: 20/2 ply to 50/2 ply to three-tenths cent, and 50/2 and upward to four-tenths cent a number per pound, and if gassed or mercerized an additional one-tenth cent a number per pound. This would be equivalent to an advance of about 40 per cent on the tariff rates now existing.

We use cotton yarn in the above numbers quite extensively—in the raw—in our business, and the proposed rates, if they become a law, would be prohibitive for us in the manufacture of a number of articles which we make for the notion trade, in that the higher rates in duties would necessarily have to be followed by an advance in the price of the manufactured article, an advance which would prohibit the sale thereof.

It has always been our aim to give preference to our home articles, but there are certain bindings for the construction of which it is absolutely necessary to use imported yarns in order to enable us, as manufacturers, to compete with the fabric made abroad.

If the proposed rates of duty should become effective, we would have to give up making that class of binding, because the woven fabric can still be imported at a price lower—if only a fraction lower—than we can produce it here. Permit us therefore to enter our protest against any increase of existing duties on cotton yarn.

Respectfully,

JULIUS BRANDES MANUFACTURING COMPANY,
JULIUS BRANDES, *President.*

COTTON GOODS AND YARNS.

**HON. J. S. SHERMAN, M. C., FILES LETTER OF THE UTICA STEAM
AND MOHAWK VALLEY COTTON MILLS.**

WASHINGTON, D. C., *January 13, 1909.*

Hon. S. E. PAYNE,
Chairman Ways and Means Committee,
Washington, D. C.

MY DEAR MR. PAYNE: I beg to inclose you herewith a communication addressed to you from the Utica Steam and Mohawk Valley Cotton Mills, the largest industry of the kind in New York State, on the subject of the tariff on cotton goods and yarns. May I beg for the communication your courteous consideration and also that it appear in some of the hearings?

With thanks for your attention and cordial regard, I am,
Very sincerely, yours,

J. S. SHERMAN.

UTICA, N. Y., *January 12, 1909.*

To the HON. SERENO E. PAYNE,

Chairman Ways and Means Committee,

House of Representatives, Washington, D. C.:

The following is a brief statement of our position in the matter of tariff on cotton goods and yarns:

The Utica Steam and Mohawk Valley Cotton Mills was originally incorporated under the laws of the State of New York in 1848 and is engaged in the manufacture of cotton sheetings and shirtings and yarns and threads for the weaving and knitting trade and electrical use. The capital stock actually paid in is \$3,000,000. The number of employees when running at full capacity is 1,800 to 2,000. The plants are located at Utica, N. Y.

We are especially interested in the tariff on fine yarns and threads, as within recent years we have been, and still are, in competition with yarns and threads imported from Great Britain and Germany. Large quantities of fine numbers of yarns are at present imported and sold in competition with American-made yarns after paying the duties prescribed by the Dingley tariff.

We believe that any reduction in the present rates on cotton yarns and threads or cotton piece goods will lead to large importation and the consequent stoppage of spindles engaged in the manufacture of fine cotton yarns and threads in this country.

The rates of wages, as can readily be ascertained by comparison with the wages paid in England and Germany, range from two to three times the rates paid in those countries. The cost of buildings and machinery, which in the last analysis also represent labor, is two or three times the cost of the same plants in England and Germany, making it necessary to earn a larger percentage of profit per pound in order to pay reasonable dividends on the investments in this country.

We do not believe with a general reduction of tariff rates of 25 per cent, which the tariff reformers claim would tend to reduce the cost of living in this country to a very large extent, that American labor would be willing to work for anything less than the present wages, and that any attempt to readjust the wage scale downward from the present established basis would result in serious labor difficulties throughout this country.

We can say for our own employees, at least those who have acquired a fair degree of proficiency, that they would be unwilling to go back to the living conditions which prevail in the cotton manufacturing districts of Germany or England, and we, as employers, would not wish to have them do so.

We believe that a revision of the tariff downward on the cotton schedules or the knit-goods schedules would result in greatly increased importations, and consequently reduce production of American goods. Special committees have gone into this matter more in detail with reference to these items. We simply wish to submit this statement to show how the management of this corporation feels in reference to a reduced tariff on cotton goods, and hope and believe that your committee will give due consideration to the differences between the standard of wages and the standard of living established

in this country and those prevailing in the countries with which we would be closely in competition.

Respectfully submitted.

UTICA STEAM AND MOHAWK VALLEY COTTON MILLS,
GEORGE DE FOREST, *President*.

COTTON CLOTH.

[Paragraphs 304-311.]

STATEMENT OF H. F. LIPPITT, OF PROVIDENCE, R. I., RELATIVE TO THE COTTON-CLOTH SCHEDULE.

TUESDAY, *December 1, 1908.*

MR. LIPPITT. Mr. Chairman, I have come here as a member of the Arkwright Club, of Boston, which represents a large number of the cotton spinners of New England, to say a few words to you in regard to the cloth schedule of the cotton tariff—the cloth schedule only—and I will say that we ask that the present cotton-cloth schedule shall not be reduced, because when it was enacted it was the result of a careful inquiry into the conditions of the cotton-manufacturing trade, and because the conditions that have arisen since its enactment have not made it more protective than it was meant to be, but, in fact, just the opposite. The cost of making goods has been continually rising. Both the chief elements of cost—cotton and labor—have shown this tendency, as well as the minor features of general supplies. During the active year of 1907 cotton, in a general way, may be said to have cost 12 cents per pound in New England as against, perhaps, 8 cents a few years ago, which with waste out would make an increase of $4\frac{1}{2}$ cents per pound in the goods, about 50 per cent higher. During the same period we were paying about 30 per cent more for labor than at the lowest point, and some 12 per cent higher than New England has ever paid. Moreover, during the recent depression labor has only been reduced about 12 per cent, leaving it 15 to 20 per cent higher than in previous similar conditions, and this, too, in spite of the fact that this has been perhaps the most acute curtailment the trade has ever experienced, at least since the war.

Other features have also increased our labor charge, particularly legislation regarding the employment of women and minors, and limiting the hours of employment. The effect of higher cost on the present schedule is to reduce the margin of production.

It is essentially a specific schedule, the duty being proportioned at so much per yard. Theoretically, therefore, as the cost of that yard increases the percentage of protection diminishes. That this is also true in practice is shown by the comparison of imports between the years 1898 and 1907. The following table showing these imports in the section under which the largest importations are made—that is, on goods exceeding 150 and not over 200 threads to the square inch—shows conclusively how the protection has been diminished by natural causes in the last ten years, not only by reducing materially the equivalent ad valorem rate of this specific duty, but also by taking a very large quantity of the importations out of this specific duty range and throwing them into the catch all ad valorem clause at the end of the paragraph, this clause representing practically the minimum rate of duty exacted by any part of the schedule. What

has happened in the section covered by these figures has happened in the same way in all the sections, but I do not encumber this paper with the figures themselves.

Table of imports of cotton manufactures entered for consumption, fiscal years ending June 30, 1898 and 1907.

[Exceeding 150 and not over 200 threads to the square inch, counting the warp and filling. Not bleached, etc.]

Number.	Rate of duty.	Cloths.			Average value per unit of quantity.	Average ad valorem rate of duty.
		Quantity.	Value.	Duty.		
Not over $3\frac{1}{2}$ square yards to pound:		<i>Square yds</i>	<i>Dollars.</i>	<i>Dollars.</i>	<i>Dollars.</i>	<i>Per cent.</i>
1898	2 cents per sq. yd	1,012	72	20	0.071	28.11
1907	do	20,709	1,516	414	.073	27.32
Over $3\frac{1}{2}$ square yards to pound and not over $4\frac{1}{2}$:						
1898	$2\frac{1}{2}$ cents per sq. yd	43,666	2,554	1,201	.059	47.01
1907	do	5,371	498	148	.093	29.66
Over $4\frac{1}{2}$ and not over 6 square yards to pound:						
1898	3 cents per sq. yd	48,842	1,922	1,465	.039	76.24
1907	do	33,167	3,161	995	.095	31.48
Over 6 square yards to the pound:						
1898	$3\frac{1}{2}$ cents per sq. yd	89,385	5,366	3,128	.060	58.30
1907	do	183,253	15,798	6,414	.086	40.60
Valued over 10 cents square yard:						
1898	35 per cent.	34,305	4,421	1,477	.123	35.00
1907	do	47,476	6,172	2,160	.130	35.00
Bleached, not exceeding $3\frac{1}{2}$ square yards to the pound:						
1898	$2\frac{1}{2}$ cents per sq. yd	124,104	13,280	3,413	.107	25.69
1907	do	163,215	16,990	4,488	.104	26.42
Over $3\frac{1}{2}$ and not over $4\frac{1}{2}$ square yards to pound:						
1898	$3\frac{1}{2}$ cents per sq. yd	126,000	12,536	4,410	.091	35.00
1907	do	132,905	14,097	4,652	.106	33.00
Over $4\frac{1}{2}$ and not over 6 square yards to pound:						
1898	4 cents per sq. yd	96,447	8,260	3,858	.086	46.72
1907	do	747,209	84,607	29,888	.113	35.33
Over 6 square yards to the pound:						
1898	$4\frac{1}{2}$ cents per sq. yd	1,768,903	158,361	75,178	.090	47.47
1907	do	6,036,303	620,562	256,543	.103	41.34
Valued over 12 cents square yard:						
1898	35 per cent.	1,127,480	172,563	60,397	.153	35.00
1907	do	7,219,226	1,242,236	434,783	.172	35.00
Dyed, etc., not over $3\frac{1}{2}$ square yards to the pound:						
1898	$4\frac{1}{2}$ cents per sq. yd	2,309,212	223,499	98,142	.097	43.91
1907	do	930,086	96,634	39,529	.104	40.95
Over $3\frac{1}{2}$ and not over $4\frac{1}{2}$ square yards to pound:						
1898	$4\frac{1}{2}$ cents per sq. yd	1,002,870	104,172	45,129	.103	43.32
1907	do	190,671	21,474	8,580	.113	39.95
Over $4\frac{1}{2}$ and not over 6 square yards to pound:						
1898	$4\frac{1}{2}$ cents per sq. yd	1,370,350	150,501	65,092	.110	43.25
1907	do	2,033,361	245,413	96,585	.12	39.36
Over 6 square yards to the pound:						
1898	5 cents per sq. yd	2,711,264	292,144	135,563	.108	46.41
1907	do	1,487,162	161,541	74,358	.109	46.03
Valued over $12\frac{1}{2}$ cents square yard:						
1898	40 per cent	4,555,708	751,677	300,671	.165	40.00
1907	do	15,298,654	2,751,272	1,100,509	.18	40.00
Total		34,528,167	5,281,870	2,060,045	.153	39.00

Another feature that tends to reduce our protection materially, and that I think is generally overlooked, is the quicker and cheaper communication and transportation that is all the time being brought about with foreign countries. Time required to consummate a sale and effect a delivery is in many cases an important element, and has been in itself something of an advantage to the domestic producer, but it is an advantage that has been constantly reduced, and there is every reason to suppose it will be still more so in the future.

Still another important development reducing the margin of protection has been the great improvements that have taken place in the quality of fabrics, applying to those of quite moderate construction as regards both the number of threads to the square inch and the fineness of the yarns as well as to those in higher ranges. The cotton trade has not stood still these last few years. It has developed enormously on its artistic side, in the production of new and more beautiful fabrics, and in most cases these changes mean higher cost of labor or material or both, and in others expensive labor processes are used for ornamentation on quite low-cost goods. I have here some samples which will illustrate that [exhibiting samples to the committee]. These are goods of quite ordinary construction, and yet to get the effect that they are made out of long-staple cotton, partly Egyptian and partly American, a great deal of expense is gone to in making them.

Mr. DALZELL. What does this come under in the tariff schedule?

Mr. LIPPITT. They count about 140 threads to the square inch. They would come under that section providing for 100 to 150 threads to the square inch.

Mr. DALZELL. That is, these particular goods?

Mr. LIPPITT. Yes, sir; those particular goods.

Mr. DALZELL. Exceeding 100 threads and not exceeding 150 threads to the square inch?

Mr. LIPPITT. Yes; exceeding 100 and not exceeding 150 threads.

The CHAIRMAN. What is your suggestion about that? Do you want the duty lowered or raised or what?

Mr. LIPPITT. We are going to ask you to leave the duty as it is.

Mr. DALZELL. All along the line?

Mr. LIPPITT. On the cloth schedule, with the exception of some very minor points. I am making my argument to show why it should not be changed.

Mr. DALZELL. This duty is now what?

Mr. LIPPITT. It varies from 25 up to 45, I believe. It is quite a complicated schedule, as you will see. I was saying that the artistic side of the cotton manufactures has developed very much, and the result is to so raise the value as to bring these fabrics out of the specific duty range of the countable cottons and into the ad valorem range, which means the very minimum duty of their respective classes, although they are naturally the most costly, justly calling for the highest margin.

That these tendencies in the trade tend to lessen the protection, I think is shown by the course of importation. These, as you gentlemen are probably aware, are continually growing, having increased from around \$30,000,000 at the time of the passage of the present act to between \$70,000,000 and \$80,000,000 at the present time, the cloth importation being some \$12,000,000 of this, as against \$6,000,000 at the date

of the Dingley bill. We want to emphasize this point as much as possible, for it seems to be the essence of the whole proposition. It shows conclusively, we claim, that the cotton manufacturers are not receiving more protection than they were meant to have or more than they need for the successful development of their business. The figures, moreover, show another thing, and that is the present schedule is not now, and was not when enacted, a prohibitive schedule. Importations have always been possible under it and have always been made under it, and if left in force there is every reason to believe they will increase rather than diminish, which might perhaps be a good reason for asking to have it made higher. As it is, however, excepting some minor details, which should be corrected, it regulates reasonably well the cotton trade of the country under present conditions.

This brings us to the question about which I should like to say a few words of what has been and is the condition of the cotton business of New England under this act. I think if you will consider it you will find in it no element of unwarranted prosperity. The New England industry has undergone a very active and fierce domestic competition from our fellow-citizens in the Southern States, where longer hours, lower rates of wages, and less exacting legal restrictions on the employment of women and minors have given the mills important advantages in economy of production on certain fabrics. New England has had to meet these conditions and to rely for success on the skill that longer experience in the art has given her people. It would be impossible without the exhibition of a large collection of samples to make those not engaged in cotton manufacturing realize to what an extent we have been forced by these conditions to diversify our product and improve its artistic side. New England has lost to the cheap production of the South many of what twenty years ago were considered her staple manufactures. She has had to fill the hole thus made and depend for her growth by the development of fabrics either absolutely new to the trade or new to the manufacture of this country. Many of her mills produce now in the course of a year hundreds of fabrics or patterns where formerly they produced tens, and they use in the most creditable way the various processes of bleaching, dyeing, mercerizing, and printing for ornamenting their product.

Again the improvement of the quality of our work, particularly as shown by the fineness of the yarns spun and woven, has been enormous. In fact, the recent growth of the business has been largely the result of this development. Nearly every new cotton manufacturing plant in New England for several years has been designed for the fine-yarn field, and many of the older concerns have been forced to adapt more or less of their machinery to this purpose to find a market for their product. Had it not been for the progressiveness of New England in these respects her chief industry would have sadly languished.

These developments, necessary for our existence, involve a great increase in the percentage of labor cost as compared with cost of material, and bring our business, therefore, in close competition with the possibilities of importation even at the present rate of duty. That the margin is small is shown by the large importations of cotton cloth constantly going on, most of which are in these special weaves or fine-

yarn fabrics that this new industry of New England is trying to compete with. The result of all this is that while the best managed mills of New England have made a living they have shown no extraordinary profit. Great fortunes made in cotton manufacturing are extremely rare.

No such thing exists in this industry as has made possible the great fortunes derived from some other industries. The business is one of narrow margins and success in it can only be attained by the most careful management.

The business is not a monopoly. It has not shared in the present tendency to combinations that some people find objectionable. While some plants have shown a continuous and healthy growth, the business is still carried on as from the beginning by a large number of unconnected plants distributed over a large territory and owned by many people. The form of the present cotton tariff is the result of many efforts, and considering the wide variety of products it covers has stood the test of practical operation fairly well. It has been the object of many legal attacks, in the course of which the terms used have for the most part been given careful legal definitions, and therefore should not be disturbed. Some minor features, however, are still in controversy and may need elucidation, but the present cotton situation as a whole has resulted in establishing in this country a great industry, widely distributed, employing many people and much capital. It has regulated but not prevented importations, has made moderate profits and reasonable wages possible to the capitalist and laborer, but is not a bonanza.

We ask, therefore, that the present schedule shall not be materially changed, and that cotton manufacturers be allowed to continue the operation and further development of this important industry under the same tariff conditions that now prevail.

The CHAIRMAN. It came out in the investigation of the Philippine tariff that abroad they were making goods just twice the width of the ordinary goods, with a double selvage in the center so that they could run it through a cutting machine and separate it, and they were sending them over there at a much cheaper rate on account of the less cost for work, for labor. Have our people got into that?

Mr. LIPPITT. I understand the conditions are a little different on that, sir. Abroad I believe that is due to the fact that the labor unions limit the number of looms that a weaver can tend, but that limitation does not apply to the width of the loom. In England, as I understand it, a weaver is allowed to tend four looms.

The CHAIRMAN. The statement was that they were made on a loom double the ordinary width.

Mr. LIPPITT. That is what I understand.

The CHAIRMAN. And that the machinery was arranged for a double selvage in the center, so that when they ran the cloth through a cutting machine it left a selvage, and the cost was much less than if it was half the width of the ordinary quantity of cloth.

Mr. LIPPITT. I think that is so in some foreign countries.

The CHAIRMAN. Have our people gone into this?

Mr. LIPPITT. No, sir; I do not believe so.

The CHAIRMAN. Why do they not go into those things?

Mr. LIPPITT. It is because, I think, the conditions are not the same. It is on account of the restrictions of the labor unions in England. There they are only allowed to tend four looms, and they can tend four looms making 28-inch cloth, and they can tend four looms making a 56-inch cloth and get the equivalent of eight looms while tending four. In this country they would probably tend the eight looms.

The CHAIRMAN. How will the price per day correspond with the price here?

Mr. LIPPITT. Of course we all know that the labor in this country is very much higher than it is abroad.

The CHAIRMAN. Then it would look to me as if our people would get an advantage if they had a man or a woman or a boy, or whoever it is, run 8 looms of these double widths.

Mr. LIPPITT. They could not run 8 looms of the double width. They can run 8 single looms. Abroad they run 4 double-width looms, which amounts to the same thing.

Mr. DALZELL. Do we have those restrictions here in this country?

Mr. LIPPITT. Not in the cotton business, to a large extent.

Mr. DALZELL. To any extent?

Mr. LIPPITT. I would not say to no extent, but very slight.

Mr. McCALL. This is a very compact and clear statement, and seems to cover the whole case, but I would like to know whether it is on the more expensive or the poorer types of goods that you have the most difficulty in competing with the foreign makers?

Mr. LIPPITT. We have the most difficulty in competing with the foreign makers in those goods which involve the larger labor cost, and that, I think, without much regard as to whether they are the medium grades or the very finest.

Mr. McCALL. Could you state offhand in how many States the cotton manufacturing industry is an important industry?

Mr. LIPPITT. No, sir; it is a very important industry in all of the States of New England and in New York and Pennsylvania. Outside of that I do not know.

Mr. McCALL. But how about the Southern States?

Mr. LIPPITT. In South Carolina, North Carolina, Georgia, and Alabama it is an important industry.

Mr. McCALL. Are there some very large mills in the South?

Mr. LIPPITT. Some very large mills.

Mr. McCALL. And the internal competition between the manufacturers is unfettered, is it?

Mr. LIPPITT. It is what?

Mr. McCALL. It is completely free; there is no such thing as a combination?

Mr. LIPPITT. There is no such thing as a combination. The business is run by a very great many individual concerns. I think the census statistics will show you that there are a very large number of cotton manufacturing concerns in America.

Mr. DALZELL. The product of the southern mills is different from the product of the New England mills, of course?

Mr. LIPPITT. To a certain extent.

Mr. DALZELL. To what extent; how much different?

Mr. LIPPITT. The product of the southern mills is mostly on the coarse end of the trade. New England used to make those goods, and the South took them away from us and we had to develop a new industry to keep our mills running.

Mr. McCALL. You could not compete with the South in making the kinds of goods where a great deal of raw material was used in a given amount?

Mr. LIPPITT. We were not able to.

Mr. McCALL. And where the labor cost was comparatively small?

Mr. LIPPITT. Yes.

Mr. BOUTELL. On what character of goods do you have the greatest amount of protection, figured on an ad valorem basis?

Mr. LIPPITT. On the finer goods. You will see, as the schedule runs up there—as the yarns grow finer—the percentage of protection increases.

Mr. BOUTELL. So that, taking the two sections of the country as you have described the condition of the trade to Mr. Dalzell and Mr. McCall, New England gets a higher rate of ad valorem protection than the southern mills?

Mr. LIPPITT. So far as they are making the finer grade of goods and more elaborate goods.

Mr. BOUTELL. That is the distinction, is it not? Is it not in the character of goods that they make in the southern mills and in the New England mills?

Mr. LIPPITT. Yes, sir.

Mr. BOUTELL. The New England mills making the finer goods?

Mr. LIPPITT. Yes. Of course, you understand, there are some coarse goods made in New England.

Mr. BOUTELL. I understand.

Mr. LIPPITT. But it is not a sharply defined line.

Mr. BOUTELL. But it would be true, as a general proposition, would it not, in the cotton schedules, that the goods which are most largely manufactured in New England get a higher rate of ad valorem protection than the goods most largely manufactured in the Southern States?

Mr. LIPPITT. I think it would.

Mr. BOUTELL. How many cotton spindles are there in the United States at the present time?

Mr. LIPPITT. I believe there are about 25,000,000.

Mr. BOUTELL. And of that 25,000,000 how many in the Southern States?

Mr. LIPPITT. About 10,000,000, I think.

Mr. BOUTELL. So that the South is beginning to crowd New England pretty hard on cotton manufacturing?

Mr. LIPPITT. She has taught us a great deal about making cotton goods.

Mr. McCALL. Is it not the greatest manufacturing industry in the South, or have you not looked into that?

Mr. LIPPITT. I understand so; I am not an expert on figures.

Mr. BOUTELL. If it should so happen in the future that the foreign demand for our raw cotton should fall off, thereby greatly increasing the domestic consumption and the number of mills, there would be, would there not, a very large increase in the cotton manufacturing in the South?

Mr. LIPPITT. I do not know that I can answer that question. It would depend upon whether they could find a market for their product.

Mr. BOUTELL. There would be just as much cotton manufactured in the country, no matter where it is manufactured. The question I ask is, if we manufactured more of our raw staple than we do now, so that there was an increase in the number of factories, there is no reason to suppose, is there, that the South would not have her proportionate share in that increase?

Mr. LIPPITT. No, sir.

Mr. BOUTELL. That is what I mean.

Mr. LIPPITT. There is every reason to believe that she would.

Mr. BOUTELL. And being nearer to the raw material, she has an advantage in that way?

Mr. LIPPITT. Certainly no disadvantage.

Mr. BOUTELL. And if she could get this skilled labor, the South could manufacture these fine, beautiful goods, such as you have exhibited to the committee.

Mr. LIPPITT. I think so.

Mr. BOUTELL. That is all.

Mr. LONGWORTH. I do not know whether I understood Mr. Lippitt correctly to say that no large fortunes have ever been made in this business in New England?

Mr. LIPPITT. I think so.

Mr. LONGWORTH. My impression is that most of the large New England fortunes have been made in it.

Mr. LIPPITT. We are not accustomed to very large fortunes in New England.

Mr. LONGWORTH. Then may I ask you what you call a large fortune?

Mr. LIPPITT. I would regard a fortune of three-quarters of a billion as a large fortune.

Mr. HILL. That would be quite a moderate one for an Ohio man, would it not?

Mr. LONGWORTH. I only asked the question because I thought it was rather an exaggerated statement.

Mr. LIPPITT. I do not think so.

Mr. McCALL. You mean there are no manufacturers of very great wealth in New England?

Mr. LIPPITT. Yes; I mean to say if you compare the cotton industry with others.

Mr. POU. Do you export any of your product?

Mr. LIPPITT. Very little.

Mr. POU. Where is that which you do export sent?

Mr. LIPPITT. We do not export any of it directly. I have been told by some of our customers, some of the jobbers, that they had exported our goods. We did export some once to Honolulu. I think that is the only case where we exported any.

Mr. McCALL. At one time the cotton mills found a considerable market for their goods in China and Japan, did they not?

Mr. LIPPITT. Yes, sir.

Mr. McCALL. How is that trade now; is it falling off or increasing; what is the state of it?

Mr. LIPPITT. That particular branch of the trade is a little out of my field. I do not make goods for that trade, but I understand that that particular trade is dull.

Mr. CLARK. How much did you say you would regard as a comfortable fortune, three-quarters of a million, or three-quarters of a billion?

Mr. LIPPITT. The gentleman asked me what I considered was a large fortune. I said I thought three-quarters of a billion was a large fortune.

Mr. CLARK. A billion?

Mr. LIPPITT. Yes, sir.

Mr. CLARK. Now, if the New England manufacturers have not made any fortunes, where did that colony of multimillionaires at North Adams get hold of their money?

Mr. LIPPITT. That what?

Mr. CLARK. That colony of multimillionaires at North Adams? There are said to be more of them in that town than in any other place of its size in the world.

Mr. LIPPITT. I am not a resident of North Adams, and of course I could not say.

Mr. CLARK. You never studied about that coterie of gentlemen up there?

Mr. LIPPITT. No, sir.

Mr. CLARK. Let me ask you this question. The southern mills have practically crowded the northern mills, the New England mills, and all the rest of the northern mills out of the market, on the cotton yarns and the coarser grades of cotton cloth, have they not?

Mr. LIPPITT. Generally that is so.

Mr. CLARK. They are gradually going up in the grades of their manufactures, are they not?

Mr. LIPPITT. Yes, sir.

Mr. CLARK. And it is not a wild speculation that in the course of a few years, in spite of all that can be done, the cotton industry will be transferred almost entirely to the South, is it not?

Mr. LIPPITT. That is something, of course, that I know nothing about.

Mr. CLARK. Do not the New England mill men themselves take that view of it, and are not a great many of them transferring their mills to the South?

Mr. LIPPITT. I do not think so.

Mr. CLARK. If the cotton industry is not so very prosperous now, how does it happen that the Hon. Eugene Foss is fixing to build a \$5,000,000 mill near Boston—at Chelsea, or somewhere there?

Mr. LIPPITT. I can not answer that, of course.

Mr. GRIGGS. Are you engaged in the manufacture of cotton goods?

Mr. LIPPITT. I am a manager.

Mr. GRIGGS. You are a practical man in the industry?

Mr. LIPPITT. Yes.

Mr. GRIGGS. From what I have heard you say, I will ask you if this is your position: Is it not protection against the South that you need rather than the rest of the world?

Mr. LIPPITT. No, sir.

Mr. GRIGGS. Did you not say that the South is gradually crowding you out? It has crowded you out of the coarser goods?

Mr. LIPPITT. Yes.

Mr. GRIGGS. And they are coming up in the other grades of goods every year?

Mr. LIPPITT. To a certain extent; yes, sir.

Mr. GRIGGS. And you said they would finally reach as fine grades as you made?

Mr. LIPPITT. I do not think I said so.

Mr. GRIGGS. You did not say that?

Mr. LIPPITT. No, sir.

Mr. GRIGGS. They will make the fine grades, will they not?

Mr. LIPPITT. That I can not tell.

Mr. GRIGGS. I understood you to say that.

Mr. LIPPITT. Nobody can answer that question of what is going to be done in the future.

Mr. GRIGGS. They are going right toward it now?

Mr. LIPPITT. Their business is developing very creditably all the time.

Mr. GRIGGS. And your protection is much more than theirs, as it stands?

Mr. LIPPITT. Not on the same fabrics.

Mr. GRIGGS. I understand that, but the protection on the goods you make is higher than the protection on the goods they make?

Mr. LIPPITT. Yes.

Mr. GRIGGS. And they are crowding you out of the market with them?

Mr. LIPPITT. If you will allow me to qualify that by saying to the extent that we do make finer goods; the protection is greater on those goods. The schedules are adjusted to that end.

Mr. GRIGGS. How old is the cotton industry in the United States?

Mr. LIPPITT. A little over one hundred years.

Mr. GRIGGS. Then it is not an infant industry?

Mr. LIPPITT. What is an infant industry?

Mr. GRIGGS. What is it?

Mr. LIPPITT. I do not know what an infant industry is. If you will tell me what it is I might answer the question.

Mr. GRIGGS. It is a new industry.

Mr. LIPPITT. It is not a new industry, but it is a continually growing industry, and the fabrics and goods that are being made in New England are continually improving. If you will take those which I showed you there, for instance, many of them are something unknown ten years ago.

Mr. GRIGGS. You do not think you are old enough to live without protection?

Mr. LIPPITT. No, sir; I know we are not.

Mr. GRIGGS. That is all I have to say.

Mr. HILL. Are we able to compete with the foreign mills where they make cotton cloth entirely?

Mr. LIPPITT. I do not know.

Mr. HILL. You do not ask any there?

Mr. LIPPITT. No, sir.

Mr. HILL. Your competition is largely in the finer grades?

Mr. LIPPITT. Yes.

Mr. FORDNEY. I read in a consular report a statement that in cotton mills in Belgium labor was receiving but 18 cents a day, and that

cotton raised in the United States, paying high rates of duty, was being shipped over there and manufactured and brought back into the United States and underselling the same grades of goods made in the New England cotton mills. Is that right? Pardon me, but I did not hear all of your statement; I did not get in in time.

Mr. LIPPITT. Yes, sir. A part of my statement was that the statistics of the custom-house showed that the importation of cotton goods was continually growing. Therefore that statement, I presume, would be correct.

Mr. FORDNEY. Your strongest competition comes from foreign-made articles, and is caused by the production from very cheaply paid labor abroad?

Mr. LIPPITT. Yes, sir.

Mr. FORDNEY. If that consular statement is correct, it occurs to me that an increased duty on that article, that finished product of the finer grades of cotton, would materially stimulate the production of that product in this country from American-grown cotton. Would that be so?

Mr. LIPPITT. Of course there are certain importations; there is growth in the importations all the time.

Mr. FORDNEY. If it is true that we are exporting cotton to Belgium, and that they are making it up into the finished product by Belgian labor and bringing it back into the United States, and that it is being sold in competition with your product, do you agree with me that it would be a good plan to increase the duty on that finished article to compel the production of it in the United States, so that American labor and American capital could get that benefit?

Mr. LIPPITT. Well, I am not appearing here to ask for an increase in the duties on the cloth clauses of the cotton schedule. I think that while there are importations going on under them, it is reasonably regulative of the cotton trade. The importations are not so large that we feel justified in asking that the duties be increased, but we would not like to see them decreased, as we believe that any decrease would certainly result in very much larger importations and a great deal more of our cotton being manufactured abroad and shipped back as finished goods, as we say.

STATEMENT OF SAMUEL ROSS, OF NEW BEDFORD, MASS., RELATIVE TO THE COTTON CLOTH INDUSTRY.

TUESDAY, *December 1, 1908.*

Mr. McCALL. Pardon me, but were you elected a Senator last election?

Mr. Ross. Yes, sir; in Massachusetts.

Mr. Chairman, it struck me that this was an important matter from the viewpoint of our working people. As the gentleman who just asked that question brings to mind, I have been a member of the state legislature in Massachusetts for many years, and during that time have had occasion continually to work for better conditions for the workers, and since the first year of my advent in the state legislature, when a 58-hour bill was passed for the textile workers, for the employees who are working in mechanical establishments in Massachu-

setts, and since the last year Massachusetts has passed a 56-hour bill, and since I was largely active in advocating the passage of those measures, it appeared to me that it would be very proper for me to turn around on this occasion and unite with the manufacturers and ask that we be allowed to remain as we are as far as foreign competition is concerned. I am only going to take a minute or two, Mr. Chairman. I want to say in brief just this: The cotton industry is in rather a peculiar condition at this time, and has been for some years past.

Within the last fifteen or twenty years the Southern States have made very rapid progress in the manufacture of the coarser fabrics. As the result of that progress the Northern States are undertaking the manufacture of the finer fabrics, and in my opinion it has been a good thing for the country and a good thing for both sections; but it leaves us in this position, that the cotton industry is practically an infant industry at this time. The manufacture of coarser fabrics to a very marked degree is infant to the Southern States, while the manufacture of the finer fabrics is infant to the Northern States; and I want to say further that our people, the working people, are continually advocating better conditions, shorter hours of labor, and we have all we can contend with in the matter of home competition, without being brought face to face with the problem of foreign competition. We have made very marked progress in the matter of bettering the conditions of our people within the last several years. Three or four of the New England States have passed short-hour legislation, have reduced their working hours to a 58-hour basis within the last five or six years. There is one remaining State, with the exception of one State which is not a manufacturing State to any considerable extent, and that State, I am told, has pledged itself, or the parties have pledged themselves, to pass a 58-hour law within the next year. Massachusetts last year, or rather this year, voted that a 56-hour bill take effect one year hence.

Mr. Chairman, not only with regard to hours of labor but with regard to other matters for the advancement of our working people we ask that the schedules of labor be allowed to remain as they are. We are trying to increase the benefits to our people. I may say here, while I think of it, the Southern States also have made progress in the reduction of the hours of labor and our people are trying now to secure better living conditions and higher wages, and I honestly believe that you will handicap us in this matter if the tariff schedules on cotton cloth are reduced. We ask only, Mr. Chairman, that they may be allowed to remain as they are. We think that any reduction would mitigate against our progress in the matter of better conditions and better wages, and at times might even result in reduced wages.

Mr. McCALL. You are the secretary of the International Mill Spinners' Association?

Mr. Ross. Yes, sir.

Mr. McCALL. Including those in this country and those abroad?

Mr. Ross. That includes the United States and Canada only.

Mr. McCALL. It is a very large organization of working men?

Mr. Ross. We comprise perhaps 90 per cent of all the mill spinners in the Northern States. In the Southern States the number of mill spinners is very small, and they are employed in bodies of two, three, five, and six, and in some cases more; but ordinarily they are in such

small bodies as to render it hardly desirable to seek their organization, or at least the expenses would be too great for us to undergo organization.

Mr. COCKRAN. I could not hear your last statement.

The CHAIRMAN. He said the expense would be too great in small bodies of three or four for them to organize.

Mr. COCKRAN. What expense would be too great?

Mr. McCALL. The expense of organizing.

Mr. COCKRAN. The expense of organizing a union?

Mr. McCALL. Yes.

Mr. ROSS. The number of spinners in the Southern States is so small and they work in such small bodies, that the expense of organizing them would be too great for our organization to undertake.

Mr. COCKRAN. You mean to organize them into a trade union?

Mr. ROSS. Yes.

Mr. GRIGGS. Is there any difference in the scale of wages paid in the southern mills and the northern mills?

Mr. ROSS. Yes, indeed; yes, sir.

Mr. GRIGGS. What difference is there?

Mr. ROSS. Well, perhaps not a great deal when you consider the amount of work performed by the northern mill spinner and the southern mill spinner. There is a material difference in the amount received, but the amount of work that the northern spinner performs is much larger than that performed by the southern spinner.

Mr. GRIGGS. Then his efficiency would make up for the difference in the pay of the labor?

Mr. ROSS. Yes.

Mr. GRIGGS. Then you would say that the labor cost was about the same in both sections?

Mr. ROSS. You are asking me now with regard to the mule spinners?

Mr. GRIGGS. Yes.

Mr. ROSS. That would not apply to the other departments.

Mr. GRIGGS. But you are representing the mule spinners, are you not?

Mr. ROSS. Not officially. I was asked regarding the mill spinners. I am their executive officer.

Mr. BOUTELL. Are not the Scotch and Irish operators in the North Carolina mills equal to any operatives in the world?

Mr. ROSS. I think they are.

Mr. BOUTELL. I think so, too.

Mr. GRIGGS. Are not your mills largely filled with French-Canadians?

Mr. ROSS. Yes; but they are not our mule spinners. Mule spinning is a skilled trade.

Mr. GRIGGS. What percentage of the labor in the New England mills is Canadian?

Mr. ROSS. Not the mule spinners?

Mr. GRIGGS. Of the entire number of operatives.

Mr. ROSS. It varies. In some it is higher than in others.

Mr. GRIGGS. Just take New England, if you can.

Mr. ROSS. Perhaps 30 per cent.

Mr. GRIGGS. Thirty per cent would be French-Canadians?

Mr. ROSS. Yes. I may be away off on that. That is just a rough guess.

Mr. COCKRAN. What is the actual average difference per day between what is paid in the southern mills and the New England mills for mule spinners?

Mr. ROSS. Per day?

Mr. COCKRAN. Yes.

Mr. ROSS. If you will allow me, I will state it by weeks.

Mr. COCKRAN. By weeks?

Mr. ROSS. Yes; they are paid weekly.

Mr. COCKRAN. Very well.

Mr. ROSS. I think it would be three or four dollars per week less in the Southern States.

Mr. COCKRAN. What is the total pay?

Mr. ROSS. The average amount?

Mr. COCKRAN. Yes; the average pay.

Mr. ROSS. That would vary in the North from \$14 to \$20 per week.

Mr. COCKRAN. In the South it would be \$4 a week less? That is, it would be from \$10 to \$16?

Mr. ROSS. Well, now, it would be much more less than that.

Mr. COCKRAN. How much?

Mr. ROSS. I do not think it would average in the South more than \$12 a week—\$10 to \$14.

Mr. COCKRAN. \$10 to \$14?

Mr. ROSS. Yes.

Mr. COCKRAN. And yours is \$14 to \$20?

Mr. ROSS. Yes. Of course there are many more spinners in the North getting \$14 and \$15 and \$16 than there are getting from \$16 to \$20.

Mr. COCKRAN. It is about 25 per cent less in the South. Is that what you mean?

Mr. ROSS. Yes; about that.

Mr. COCKRAN. I understand you to say that the efficiency of labor in the North, where it is organized, is so much greater than in the South that this apparent difference in the rate of wages is made up by the difference in the volume of production?

Mr. ROSS. I would not want to say that, Mr. Congressman. I would say that it was largely wiped out.

Mr. COCKRAN. Largely wiped out? That is, as far as you want to go?

Mr. ROSS. Yes, sir.

Mr. POT. Senator, are you acquainted with the price of cotton-mill machinery abroad as compared with the price here in this country?

Mr. ROSS. I am not, sir. I understand our mills here cost about three or four times more than they do in England. Of course, lots of our machinery is English made.

Mr. POT. Your understanding is that it costs, did you say, three or four times as much?

Mr. ROSS. Yes; three or four times as much.

Mr. POT. To build a mill in America as it would to build the same mill in England?

Mr. ROSS. Yes, sir; that is my understanding.

Mr. Pou. A considerable per cent of that cost—the increase—is because of the protective tariff, is it not?

Mr. Ross. Some of it is; quite a little, I should say.

Mr. Pou. The duty on mill machinery is about 45 per cent, is it not?

Mr. Ross. That would all depend on the amount of the English machinery that was introduced into the northern mill, of course. Some introduce much more than others.

Mr. Pou. Yes. Is it not a fact that the manufacturers of the cotton-mill machinery in the United States are in a combination, and that the combination makes the same price to one man that it would to another?

Mr. Ross. In the sale of its finished product?

Mr. Pou. No; in the sale of its machinery. I speak now of cotton-mill machinery.

Mr. Ross. You mean the English manufacturers of machinery?

Mr. Pou. No. I mean is it not a fact that the manufacturers of cotton mill machinery in the United States are into a combination to influence the prices?

Mr. Ross. I do not know that, sir. I do not know; I could not answer that question.

Mr. Pou. You could not answer of your own knowledge?

Mr. Ross. No.

Mr. Pou. But is not that your understanding?

Mr. Ross. I can not say I ever heard of it before, sir.

Mr. UNDERWOOD. Let me ask you a question as to the comparison of this labor in the southern and northern mills. Most of the operatives in the northern mills, I think, live in good sized towns or in cities?

Mr. Ross. Quite a number of them are, of course. Of course, we have many small villages up there.

Mr. UNDERWOOD. And in the South they are mostly in small towns?

Mr. Ross. Yes.

Mr. UNDERWOOD. And the cost of living is much greater to the operatives in the northern mills than in the southern mills?

Mr. Ross. Yes; I should say it is higher.

Mr. UNDERWOOD. In the southern mill town the operative has a house to himself and a garden where he can raise part of his food supply himself.

Mr. Ross. Of course we have many small towns where similar conditions exist. Of course, people are better housed in the North than in the South. That is natural, because the climate is more severe.

Mr. UNDERWOOD. The cost of fuel and clothing is much more to the northern man than to the southern man on account of the climatic conditions?

Mr. Ross. Some higher, undoubtedly.

Mr. UNDERWOOD. So that taking it all in all the southern operative makes about as much out of his wages as the operator in the northern mill, does he not?

Mr. Ross. I should not think so. I do not think that is so. Our northern people are organized, and the organizations have done a wonderful work for the people. The southern people, I want to say,

are mighty fine people, and they are going to organize in the near future, and when they do they will mightily improve their conditions. They will do it very rapidly.

Mr. UNDERWOOD. But you think the climate equalizes this difference in the wages to a large extent?

Mr. ROSS. Well, yes; it does to a great extent.

Mr. UNDERWOOD. Now, I want to ask you, on another proposition, this question. The milling industry in this country originated in New England. The skilled operators in New England, when the industry started in the South, the more highly skilled men, the most successful men in the operation of millwork, did not move South, did they?

Mr. ROSS. No.

Mr. UNDERWOOD. They were the men that remained at home?

Mr. ROSS. Yes.

Mr. UNDERWOOD. And it took generations for you to train up a body of skilled men in your industry?

Mr. ROSS. Yes.

Mr. UNDERWOOD. And the result was that when the southern cotton mills commenced their operations they did not get the best men, but they got the second-grade men to go south to develop the industry; is not that a fact? Of course I do not mean to say that it applies in every case, but as a rule is not that a fact?

Mr. ROSS. As regards their ability to manipulate cotton machinery, yes.

Mr. UNDERWOOD. I do not mean as to their character, but I mean as to their ability.

Mr. ROSS. Yes.

Mr. UNDERWOOD. The higher skilled men had inducements that kept them at home?

Mr. ROSS. Yes.

Mr. UNDERWOOD. And the less skilled men were sometimes out of positions and went south to find a place; and it will take time to educate the mill operatives of the South to the condition of skill that you find in the northern mills?

Mr. ROSS. Exactly.

Mr. UNDERWOOD. Is not that about the situation?

Mr. ROSS. That is about it. They manufacture the coarser fabrics, and we have undertaken the finer fabrics, and both sections are now working along on those lines, and they are both infant industries as to their respective sections.

Mr. UNDERWOOD. As the generations come on and as the labor in the southern cotton mills is educated to the skill of the labor in the northern mills, do you not think yourself that may bring them to the average skill of the northern mills?

Mr. ROSS. The southern operatives?

Mr. UNDERWOOD. No. As the development of the industry takes place in the South, the education of the mill operator from generation to generation, after a while he will become as skilled as the northern operator, will he not?

Mr. ROSS. I question that. The northern operative will also progress, and he has got such a big start on the southern operative now that he will keep ahead for a long time to come.

Mr. UNDERWOOD. Has the operator in the northern mill reached his ultimate attainment as a skilled operative?

Mr. Ross. Oh, no, indeed. We are importing people from the other side, many of whom have worked in mills on the other side—that is, in foreign countries. They are coming over to us in large quantities every year, and we are continually manufacturing finer fabrics, and more looms are being built to manufacture the finer fabrics, fabrics that we never manufactured in this country before, but always imported from other countries, largely from England. We are manufacturing those fabrics here to-day.

Mr. UNDERWOOD. Do I understand you to say that the immigrants who are coming over here from foreign countries are more skilled operatives than the operatives in New England factories to-day?

Mr. Ross. Many of the English operatives are fully as highly skilled as the operatives in the New England mills.

Mr. UNDERWOOD. They are not more skilled than the New England operatives.

Mr. Ross. More so than the average New England operatives. Of course many of them have come from places where there are no cotton mills; but the English and Irish are, many of them, people whose fathers and grandfathers worked in the mills before them.

Mr. UNDERWOOD. Then, as a matter of fact, it is a question of years of training for an operative to become skilled, or generations of training before the operatives become thoroughly skilled in the business?

Mr. Ross. Yes; to manufacture successfully the finer fabrics.

Mr. UNDERWOOD. And it is by reason of that skilled labor that the New England mills are manufacturing the finer fabrics to-day.

Mr. Ross. Yes.

Mr. UNDERWOOD. Not by reason of the natural conditions or improved machinery?

Mr. Ross. I do not think so. It is because of the skilled labor and the fact that the South undertook the manufacture of the coarser fabrics to such a large extent that the North was practically forced into the manufacturing of the finer fabrics—that is, if it was to extend its industry.

The CHAIRMAN. Those English skilled operators that come over here you say are more skillful than the average New England mill operatives. Will they do as much work as the average New England operative, as a rule?

Mr. Ross. Do what?

The CHAIRMAN. Will they do as much work in a day of ten hours?

Mr. Ross. After they have been here a little while.

The CHAIRMAN. What is that?

Mr. Ross. They are governed by the speed of the machinery. They have to keep up with the machinery.

The CHAIRMAN. They have got to keep up with the machinery?

Mr. Ross. Yes.

The CHAIRMAN. Whether they are in England or in this country?

Mr. Ross. Yes. The machinery here is quicker than in other countries. The speed is not always higher than that of the English machines. The English run their looms much quicker than we do our looms, but in other respects the machinery runs here much quicker than it does in other countries, outside of England.

Mr. HILL. In your judgment, as a labor-union man, are the mills of the South handicapped or helped by the longer hours of labor and by child labor?

Mr. ROSS. I certainly do not think they are helped by it.

Mr. HILL. You do not think they are helped by it?

Mr. ROSS. No.

Mr. HILL. They do not have any advantage over the northern mills by reason of their longer hours of labor and by child labor?

Mr. ROSS. They have very little, if any.

Mr. HILL. I mean taking the whole thing, making a general average.

Mr. ROSS. In my opinion, I do not think they have any advantage. I think they are beginning to realize that, inasmuch as they are giving attention to decreasing the hours and increasing the ages of the children.

The CHAIRMAN. They are learning things.

Mr. ROSS. Yes.

Mr. POW. What is the age limit for child labor in Massachusetts?

Mr. ROSS. It is 14 years, and 16 years for illiterates—that is, children who can not read and write simple sentences in the English language. The age limit for children who can not read and write the English language is 16 and for other children it is 14.

STATEMENT OF ALBERT HIBBARD, OF FALL RIVER, MASS., REPRESENTING UNITED TEXTILE WORKERS OF AMERICA.

TUESDAY, *December 1, 1908.*

The CHAIRMAN. What is your business?

Mr. HIBBARD. I am the general secretary of the United Textile Workers of America, but I do not appear here officially from that body. I was about to say that I regret very much that at our last convention we did not have the opportunity to have some kind of a resolution before us on which we could have gone on record as being favorable to the existing tariff conditions so far as they apply to the manufacture of textile goods. Speaking for myself, and I think I voice the sentiments of the members of our organization, I believe that anything that tends to promote the conditions of industry must of necessity help the operator, and it is with that idea in mind that I appear at this time. I believe that my people—and by that I mean the textile workers—do not desire any change in the tariff schedules so far as they apply to textile goods, and I think if I were to take up your time for an hour in elaborating upon anything that I might want to say, I could not put any better or any stronger statement as defining our position. We believe that if the tariff makes it permissible or makes it possible for the industry to thrive, it puts the people who are trying to lead the operatives into a position where they can demand for these operatives a higher rate of wages and better conditions, and that is my only reason for being here to-day.

Mr. HILL. Do you speak for woolen operators as well as cotton?

Mr. HIBBARD. I speak for all textile operators on silk, woolen, flax, or jute. That is, that is my official capacity. I am not speaking for them officially now.

Mr. COCKRAN. What is your particular position?

Mr. HIBBARD. I am a cotton weaver.

Mr. COCKRAN. And your own special knowledge is of the cotton trade or cotton production?

Mr. HIBBARD. Yes.

Mr. COCKRAN. And the union which you represent extends to the operatives in all textile work?

Mr. HIBBARD. Yes.

Mr. COCKRAN. You do not speak as a member of the union, but as an operative?

Mr. HIBBARD. As an individual.

Mr. POU. Are you acquainted with the price of cotton-mill machinery abroad and in the United States?

Mr. HIBBARD. No; I can not say that I am.

Mr. POU. What is the difference in wages paid to English operatives and American operatives?

Mr. HIBBARD. My whole experience has been in American mills. I came here as a youngster. But my parents worked in English mills, and while my father never ran more than two looms each, I never ran less than six myself, and I never ran more than eight.

Mr. POU. You are not acquainted with the price abroad?

Mr. HIBBARD. No. Conditions have very much changed since I left there.

Mr. POU. You do not know what the condition is now?

Mr. HIBBARD. No, sir.

Mr. POU. The England mills have been rather prosperous during these last few years, have they not?

Mr. HIBBARD. We want them to be prosperous.

Mr. POU. Well, I know.

Mr. HIBBARD. I think they have been prosperous.

Mr. POU. Yes. Do you declare large dividends?

Mr. HIBBARD. I do not know. All we could go by is the statistics, and the statistics of dividends do not always tell the true story.

Mr. POU. Do you remember the dividends that your mill, the mill that you are connected with, declared during the last year or two?

Mr. HIBBARD. For the benefit of the member of the committee I want to say that I have not worked in a mill since 1893. I have been holding an official position since that time.

Mr. POU. I thought perhaps you were now connected with it. But do you know about the particular mill that you were formerly connected with; have you any knowledge of the dividends that it has been paying?

Mr. HIBBARD. The last mill that I worked in, the Fall River Iron Works Company—a peculiar title for a cotton mill—was owned by M. C. D. Burden, of New York, and I do not know that anyone has any knowledge as to what his profits or the dividends are. [Laughter.]

Mr. GRIGGS. You say your father never ran over two looms?

Mr. HIBBARD. That is all.

Mr. GRIGGS. And you never ran less than six?

Mr. HIBBARD. Yes; I never ran less than six nor more than eight. I mean to say that my father when he was in England never ran more than two looms. After he came to this country of course he fell in with the usual proceeding and ran six or eight.

Mr. COCKRAN. What is the meaning of that? Does that mean that you could produce three times as much as your father or mother did in England?

Mr. HIBBARD. No, sir; the speed of the loom in England is greater than the speed of the loom in America, but that is more than made up, in my estimation, by the number of looms run by the American operator.

Mr. COCKRAN. What I want to get at is, do you mean that uniformly, where the greater number of looms seems to be run, the productive capacity of the operator is correspondingly greater?

Mr. HIBBARD. I would not say correspondingly, but it is greater.

Mr. COCKRAN. That is, you would not say, of course, that it was increased twice?

Mr. HIBBARD. Yes.

Mr. COCKRAN. But it is unmistakably greater?

Mr. HIBBARD. Yes.

Mr. CALDERHEAD. Are the wages fixed upon a sliding scale according to the price of the product?

Mr. HIBBARD. We are working now in Fall River under a sliding scale fixed by the local secretaries of the unions and the manufacturers of Fall River. That is the only place that I know of where they are working under the provisions of a sliding scale.

Mr. CALDERHEAD. Wages are higher or lower according as the price of the product is higher or lower?

Mr. HIBBARD. There is a peculiar condition surrounding that sliding scale. The wages are based upon the margin of profit between a pound of raw cotton and 45 yards of the finished product, 64 picks to the inch—64 square, I should say. Under that sliding scale the operatives would now be working, or under the margin of that sliding scale the operatives of Fall River would now be working for 18 cents per cut, but the manufacturers of Fall River decided to waive the putting into effect of an 8 per cent reduction, and left the wages where they were, 8 per cent higher than they would be under the sliding scale.

STATEMENT OF D. E. TOMPKINS, OF CHARLOTTE, N. C., RELATIVE TO COTTON INDUSTRY IN THE SOUTH.

TUESDAY, *December 1, 1908.*

Mr. TOMPKINS. Mr. Chairman, in discussing the subject of laying a tariff for revenue or for protection, whichever it is, to stimulate an American industry, it should be considered, to my mind, whether such stimulation would have influence for the public welfare, in case of war or otherwise, and whether such stimulation would have an influence on the welfare of a great number of people, in many cases far greater than the number involved in the industry. I will call your attention to a change which has taken place in the Southern States to illustrate that the development of manufactures there is not alone important for the benefit of the manufacturer, but is exceedingly important for the benefit of large proportions of the population. Fifteen years ago, calling that dating back to the beginning of the building of factories, cotton and otherwise, or about that time—I speak always in round numbers, sir—cotton was worth 5 cents a pound. The

condition of the whole population with respect to living and general welfare was deplorable. In the fifteen succeeding years the factories have been built, until enough people have been drawn off the farms, out of the competition of producing a few staple crops, until cotton has reached twice 5 cents a pound, on a crop of 10,000,000 bales. Formerly, before the time of manufactures, it sold for \$300,000,000. Now it sells for \$600,000,000. The income of the cotton producer for identically the same work has been doubled. And that is not the only benefit. His perishable farm products have been made valuable. Formerly they had practically no value.

A large proportion of cotton producers have been turned from the competition of cotton production to being consumers of cotton. But to go back of that and show what a change has come about in the interests of the cotton farmer and the other farmers of the South, and speaking again in round figures only, in the first decade that succeeded the civil war we made 2,500,000 bales of cotton and got 4 cents a pound for it. In the second decade we made 5,000,000 bales and got 12 cents a pound for it, which made \$300,000,000. In the third decade we made 10,000,000 bales of cotton and got 6 cents a pound for it, and got the same \$300,000,000. In the fourth decade, as manufactures were developed, as people were drawn out of the competition of this cutthroat business on the cotton farms, as the perishable products of the farm became marketable, the same 10,000,000 bales of cotton brought \$600,000,000. Not only that, but the development of the business of cotton oil made \$100,000,000 more, the value of the perishable farm products was \$100,000,000, and I could go on and count up so that where the income of the people was formerly \$300,000,000 it is now a billion and a quarter dollars.

Now, if a degree of protection is necessary to the development of these manufactures, and it is essential that you should raise the revenue necessary to run this Government, which is, as they say popularly, about a billion dollars a year, then is it not better, is it not best, that that tariff should be so laid as to protect and develop the industries not for the benefit of the manufacturer, if you please, but to give one-third of the population of this country an income from farming of a billion and a quarter dollars instead of \$300,000,000 for identically the same farm products? I do not believe it is desirable to lay a tariff higher than is necessary to do this. I believe that a tariff in excess of what is necessary to bring about the best welfare of all the people is as wrong as a tariff that is too low to bring about that welfare, and I think that your committee will realize that if we have to raise the revenues necessary to run this Government, it is far better to so raise those revenues by putting a protective tariff on such industries as will not only be beneficial in themselves, but as will be advantageous in developing the welfare of a people who otherwise were living in poverty and distress.

You have asked about the costs of some productions. In producing cotton the cost of cotton at 5 cents a pound was 5 cents, and that meant a mighty miserable living. That meant a living that no people in the world ought to be brought down to, and to-day it would be difficult to tell what is the cost of producing cotton, because it would be difficult to measure whether people are living approximately as well as they ought to live or not in the fields producing cotton. In those old days one garment was the most that many people had in

the cotton fields, and the cost of producing cotton was shamefully below what it ought to have been because people had to live on less than what they ought to have had.

In laying your duties, it must be kept in mind also that where there are fixed duties there is an apprehension—and you may lay as much stress on this as you choose—that in the next five or ten years the cheapness of gold is going to reduce values so that the value of fixed tariffs is going to be very much lower; that gold is going to be reduced very much in price. The statistics show that in the last ten years half as much gold has been produced as in the last four hundred years, and if we keep that up many years more gold will become cheap and all your tariffs will become less on the schedules where they are fixed in proportion. So in all respects in laying your tariff you ought to lay it safely; you ought to make it enough to be sure that the condition of cotton production in the South never gets again to where it was before the factories in the South were built, and you ought to also lay it particularly upon articles without which this nation can not do its best in case of war.

I think that is the showing that I wish to make. The development of factories has benefited the farmer more than anybody else in my section. The farmer has been the biggest beneficiary of the tariff, if the tariff has done it, and all that is wanted is enough tariff, and no more than enough.

MR. COCKRAN. What do you call enough?

MR. TOMPKINS. Enough to insure the building of the factories.

MR. COCKRAN. What figure would you suggest?

MR. TOMPKINS. I think that you gentlemen will have to hunt up the figures yourselves. If I did it, I would appoint a commission to hunt the figures, because I think it is an expensive and difficult proposition, and requires a great deal of talent. I will state this comprehensive fact: We are very proud of the development of the factories in the South, and think they have had a most beneficent influence upon the people; yet in the last three years England has practically put as many spindles in operation as are in the whole South. When we think of our progress in the abstract it looks good, but when we compare it to that of England, we are going pretty slow. England put up about 8,000,000 spindles. I am again speaking in round numbers. She goes onto fine yarns. She builds the Assouan dam in Egypt and makes enough cotton there to supply all the rest of these mills. Being on fine yarns, it takes but a few bales of cotton as compared with coarser yarns. You have heard from Mr. Lippitt that the Northern States have 15,000,000 spindles, and that the South has approximately 10,000,000 spindles, and yet we spin as much cotton as they do, because we are spinning coarser numbers. We spin about 2,000,000 bales of cotton in the South, and England has almost as many spindles running on the product of the soil that she has put into cultivation in Egypt, and 250,000 or 300,000 bales are enough, because the numbers are so fine. If I were in your places, I would put duties enough on the finer qualities of yarns and cloth both to give at least an opportunity to start those industries in this country, and then if England spends all the money necessary to develop that Assouan irrigation scheme, which is a protective tariff to her industries, then I would give the sea island cotton people some tariff and equalize it.

Mr. COCKRAN. When I asked you what you would recommend, you answered that if your recommendation was followed a commission would be appointed to ascertain what duty should be levied. My question is just in the line of what such a commission would be compelled to do; it would have to ask practical men what the figures of a tariff should be.

Mr. TOMPKINS. If you will find out what the cost of these new manufactures is in England, and what tariff would be necessary to offset the difference and what we would have to pay, we could tell. But that would not be enough. It is more complicated than I can answer, because it involves inherited skill and knowledge, and it brings up the question of whether we could take up the fine yarns and make them at all or not, no matter what the tariff was, because it might be with them as it is with other things. For instance, we can not make Italian music and sculptures in this country, no matter what the tariff is.

Mr. COCKRAN. That is just what I wanted to get at.

Mr. TOMPKINS. There is the study of that question. I do not think that I, being occupied in a vocation in which I have to make a living, could give the time necessary to find that out. But I would measure it by the results. When we get mills running in this country in competition with those of England, then we know we have got about the right rate of duty.

Mr. COCKRAN. You are able to run your industry under the existing tariff, are you not?

Mr. TOMPKINS. Yes.

Mr. COCKRAN. The present tariff is entirely satisfactory so far as your immediate industry is concerned?

Mr. TOMPKINS. My particular business is contracting engineering. I have some interests in cotton mills, but I have never actually myself run a cotton mill.

Mr. COCKRAN. I beg your pardon. I thought you were engaged in the cotton business.

Mr. TOMPKINS. I am an officer, but somebody else generally runs them. I build a number and am pretty familiar with the general conditions.

Mr. COCKRAN. In these mills with which you are connected as an officer the conditions are satisfactory?

Mr. TOMPKINS. Yes.

Mr. COCKRAN. Now when you speak of the wonderful growth of this industry in England, you are of course aware that in England trade is entirely free; there is no protection whatever?

Mr. TOMPKINS. On cotton goods?

Mr. COCKRAN. On any goods that are manufactured.

Mr. TOMPKINS. England gets cotton just as cheap as we do. England gets it as cheap as Fall River. She does not need any protection.

Mr. COCKRAN. Why is protection needed by Fall River any more than by England, if they both get their raw material on equal terms?

Mr. TOMPKINS. For many reasons.

Mr. COCKRAN. What?

Mr. TOMPKINS. Most of their spinning is done on machines that require great skill, of which we have very few in this country. They

have generally throughout their mills a degree of inherited skill that we have not attained the equal of yet.

Mr. COCKRAN. Just stop there a moment. I want to go along with you as you state the matter.

Mr. TOMPKINS. Yes.

Mr. COCKRAN. The advantage that England enjoys is in the superior skill of her operators, according to you?

Mr. TOMPKINS. Well, yes; that is one of the things we want to offset with the tariff, precisely. It is one of the factors.

Mr. COCKRAN. One of the factors. Let us examine that now.

Mr. TOMPKINS. All right.

Mr. COCKRAN. Do I understand that you advocate a scheme of tariff taxation by which inferior skill here would be enabled to compete with superior skill abroad?

Mr. TOMPKINS. If it was skill that required long training and inheritance, I would, to enable us to get up to it without living in poverty in the meantime.

Mr. COCKRAN. You have heard the statement of the gentleman who preceded you, who stated that in this country an operator was vastly more efficient than he was in England in the cotton industry; did you hear his testimony?

Mr. TOMPKINS. Yes; but I do not think you interpreted it as I understood it.

Mr. COCKRAN. Perhaps I did not. Will you give me your understanding of it?

Mr. TOMPKINS. The loom that his father ran was old and out of date at the time that he was running six. That loom has become old and practically out of date now, and some weavers run 20 and 25 now; but that is not in the extraordinary skill of the weaver, or that is not inherited skill; that is in the mechanical improvement of the loom in this country.

Mr. COCKRAN. You must have overlooked the fact that I asked him specifically whether the productive capacity of the operator in this country was superior to that of the operator in England, and he said it was.

Mr. TOMPKINS. The productive capacity of the operator becomes superior by the assistance of the improved machinery. It is a question whether his father might not have been as good a weaver as he was. I would not be surprised if he would not say that he was before the improved condition of the machinery and the limit set making it possible for him to tend six where his father could not tend but four.

Mr. COCKRAN. Let me see if I understand you.

Mr. TOMPKINS. There may have been trade unions influencing the thing to keep down the number of looms that a man should tend.

Mr. COCKRAN. Your idea is that in England labor has a productive capacity superior to what it has in this country?

Mr. TOMPKINS. They have advanced further between the time that he talks about his father running two looms and the present time than we have in this country.

Mr. COCKRAN. Would you state it as a matter of fact, if you know anything about this industry, that the productive capacity of the English operators is higher than the productive capacity of American operators?

Mr. TOMPKINS. When based upon knowledge and skill it is, but when based upon the improvement of American machinery it is not, and it depends upon which is which.

Mr. COCKRAN. As a result of that, would you be prepared to say that one was more efficient than the other; and if so, which?

Mr. TOMPKINS. You mean the labor?

Mr. COCKRAN. I mean the productive capacity; the capacity to turn out a finished commodity.

Mr. TOMPKINS. I do not know enough about English operators to give an idea. It would require a number of accurate figures, which I have not got. I can not answer the question as you put it.

Mr. COCKRAN. All right; I understand. Now you say that a tariff that is excessive is as bad as a tariff that is inadequate; but you do not undertake to give an idea of what would be either an excessive or an inadequate tariff.

The CHAIRMAN. He said there were other reasons why there ought to be a protective tariff.

Mr. COCKRAN. That was not my question.

The CHAIRMAN. No, but you seem to have wandered off from your original question. He started to answer and you interrupted him.

Mr. COCKRAN. Did I interrupt your answer?

Mr. TOMPKINS. I answered that half an hour ago.

The CHAIRMAN. He answered this same question. You asked him his reasons, and he stated one, and then you spent half an hour or so asking questions about that.

Mr. COCKRAN. Whenever the light is turned on the time seems exceedingly long to the chairman. If I have interrupted you at any time in giving an answer, I ask your pardon, and ask that you complete it now.

The CHAIRMAN. You asked him about the matter of the difference, and why we should want a tariff. I do not recollect the form of the question, but the question was why did he want a tariff as against England?

Mr. COCKRAN. Yes.

Mr. TOMPKINS. Because of inherited skill, because of England's world markets, that she can handle her products in her own ships all over the high seas of the whole world, and if I had the time I could give you a great many others.

Mr. COCKRAN. What I mean is this: To review the conditions, one of the important ones is the English merchant marine?

Mr. TOMPKINS. One of the important ones is the English merchant marine.

Mr. COCKRAN. Do you think that English goods get any lower rates in English ships than the goods of England's competitors?

Mr. TOMPKINS. They get prompt delivery to all parts of the world. If we ship a bale of goods to South America, it is liable to go to Liverpool and lie on the docks for three or four weeks until they have not got any of their own to carry, and then they carry ours. You can not build up a business on that basis.

Mr. COCKRAN. Do I understand that your conception of foreign trade is that an American bale, if landed in Liverpool, will be allowed to stay there until all English goods have been forwarded?

Mr. TOMPKINS. I mean to say that we are very much handicapped

by the superiority of the English merchant marine and the inferiority of our own.

Mr. COCKRAN. I am asking you in what particulars that works a hardship.

Mr. TOMPKINS. I have explained to you.

Mr. COCKRAN. I am asking you now. Do I understand you to say that if a consignment of goods to South America is landed on a Liverpool dock, those goods would be left there until all English goods of every kind were exported and exhausted?

Mr. TOMPKINS. No; I did not say anything of that sort.

Mr. COCKRAN. Can any merchant ship make any discrimination between goods that are offered to it for shipment, based upon the place where they happen to have been manufactured?

Mr. TOMPKINS. If it was only a question of the American going to some foreign port having to go on an English vessel and sell in competition with an Englishman on the same vessel, that would be a big handicap in itself.

Mr. COCKRAN. It would be?

Mr. TOMPKINS. Yes.

Mr. COCKRAN. Although they would be taken on perfectly equal terms?

Mr. TOMPKINS. Certainly.

Mr. COCKRAN. Where would the handicap come in?

Mr. TOMPKINS. If a man doing business in this town sent his drummer out in the other fellow's carriage, with the other fellow's drummer riding in the same carriage and saying that he brought this fellow out, how could the two of them be on the same level?

Mr. COCKRAN. Do I understand you to say that if a purchaser is offered cloth, for instance, made by two rival manufacturers, before he decides which one he will give the preference to he will look up to see what kind of a flag is floating over their heads? Do they do that? Is that usually the way it works?

Mr. TOMPKINS. Yes; I think they would. I think you would have precisely that thing.

Mr. COCKRAN. You think so?

Mr. TOMPKINS. The purchaser would not be literally looking at the flag, but he would be taking into consideration all the influences, jointly, which the flag represents, and it is a big influence.

Mr. COCKRAN. Then it is on that conception of trade and the methods of trade that you advocate these tariffs?

Mr. TOMPKINS. That is one element. As I told you at the start, inherited skill is another element; and I think we could go on for a long time and show some points in which we had the advantage. But it is not in raw cotton; it is not in having foreign markets; it is not in having the inherited skill that those other countries have; and in all those particulars we are very much handicapped.

Mr. COCKRAN. Now, you have completed your answer, have you, so that Mr. Payne will not charge me again with having interrupted you?

Mr. TOMPKINS. I will take your side if he does.

Mr. COCKRAN. I mean to say, you have given us all the reasons you have?

Mr. TOMPKINS. No; I have not. I think I could give up a great many more.

MR. COCKRAN. I should like to have you give them.

MR. TOMPKINS. I do not want to consume the time of the committee.

MR. COCKRAN. Oh, well, it is time very well spent. We are here just to make this inquiry.

MR. TOMPKINS. I will make up a statement of them and send it back to you. I can do it better if I am not harassed with too many questions. [Laughter.]

MR. COCKRAN. I do not want to put a single question to you that will harass you.

MR. TOMPKINS. I will take that back. You must excuse me. I did not mean it that way. I simply meant that under interrogation I might not do as well as I could in the quiet of my office.

MR. COCKRAN. That is right; and that additional information you will let us have?

MR. TOMPKINS. Certainly.

MR. COCKRAN. Thank you very much.

MR. CLARK. Mr. Tompkins, you live at Charlotte?

MR. TOMPKINS. Yes; Char'lotte, not Charlotte'.

MR. CLARK. I beg your pardon; it is a very fine town, however it is pronounced. It is true, is it not, that North Carolina has perhaps made greater advancement in material development in the last eight or ten years than the majority of Southern States, to put it that way?

MR. TOMPKINS. Yes; I think so; but there are many other Southern States that might take exception to that way of putting it. We have made great progress.

MR. CLARK. That can not be helped. What I am getting at is that North Carolina has made great progress.

MR. TOMPKINS. Yes.

MR. CLARK. Do you attribute all of the progress that North Carolina has made from this lamentable condition which you stated—and I do not think you overstated it at all—that prevailed in the first, second, and third decades after the close of the civil war, to the establishment of cotton factories in the South?

MR. TOMPKINS. Very far from it; because there have been established over \$100,000,000 worth of cotton-oil mills, which have had their influence in proportion; a whole lot of furniture factories; a whole lot of steel mills; new railroads have been built; and all of that has had an influence.

MR. CLARK. I am glad to hear you say so. I understood you to intimate, or I thought it was a fair conclusion from what you said, that all of this uplift was produced by the establishment of cotton factories in the South.

MR. TOMPKINS. Factories, yes; but I think if you will refer to the record you will find that I did not limit it to cotton factories. Still that is neither here nor there now. It is not the cotton factories, it is the diversified pursuits in manufactures and in commerce, both.

MR. CLARK. That is a very philosophical remark and I am glad you made it. I believe in it. I wanted to ask you this question—this is what I was leading up to—

MR. TOMPKINS (continuing). Due, perhaps, primarily to the abolition of slavery, which you gentlemen helped us along in.

MR. CLARK. It was due primarily to the discovery of America, was it not? [Laughter.]

MR. TOMPKINS. Well, then, you might as well go back to Adam, and be done with it. [Laughter.] It was, perhaps, due to Eve eating the apple.

MR. CLARK. You have evidently played poker in your time; you know how to raise a fellow. What I was leading up to was this: Charlotte is in the center of the great developed and undeveloped water power of the South, is it not?

MR. TOMPKINS. Yes, sir.

MR. CLARK. Have you ever been able to apply electricity to any of the cotton-manufacturing industries down there or to any of the rest of them?

MR. TOMPKINS. We have about 80,000 horsepower now applied in one big development—the Southern Power Company. In various smaller developments theretofore made we have gotten about 50,000 more; and there are about 100,000 more in process of development. We will have water power equivalent to about 3,000,000 Chinese coolies, half of which is in operation now.

MR. CLARK. That is the reason I asked you. You told me that once at the hotel in Charlotte.

MR. TOMPKINS. Then I am sorry I told you again.

MR. CLARK. I am glad of it. Now, I want to ask you another question.

THE CHAIRMAN. You had better go down to Charlotte again.

MR. CLARK. No; I got a good deal of information down there, and some money.

Taking into consideration the fact that the Southern States have more water power undeveloped than all the rest of the country put together, and have a better climate for the purposes of work, and have the cotton on the ground, so that they do not have to pay freight rates to New England, or old England, either, or any other place, is it not inevitable that in a very few years the whole cotton industry will go South?

MR. TOMPKINS. The cotton industry can not come South without the people; and we have not got the people.

MR. CLARK. But the people are coming, are they not?

MR. TOMPKINS. No; far fewer New England people or any other people have come to the South in connection with these developments than has been said. Literally none have come in connection with the cotton-oil industry and not 5 per cent of even the important ones of those engaged in the cotton industry.

MR. CLARK. As soon as these New Englanders find out that they can make more money down there than they can up in New England they will all "light out" for that southern country, will they not?

MR. TOMPKINS. I want to assure them that they need not be asking for any protection against us. I am one of those who believe that if cotton can be landed in Fall River as cheaply as it can be in Charlotte (and it can), the people of New England are not going to be quitters in a business that they have as much opportunity to do as we have. The cotton will go to the people. It is like the manufacture of fine goods in Switzerland. The Swiss do not have to quit making Swiss muslin and Swiss embroideries and emigrate to this country. They can afford to pay to carry the cotton there, and they do. We have quite an uphill piece of work before us before we take possession of any very large part of the cotton-manufacturing industry, which

is a world industry, and which involves the movement of millions upon millions of people before it is seriously interfered with in other parts of the country.

MR. CLARK. One other question, and I will quit you. Do you not know that every intelligent man in your part of the country and in mine believes and almost knows that, tariff or no tariff, high tariff or free trade, the future is ours in the commercial development of this country?

MR. TOMPKINS. The future is ours?

MR. CLARK. The future is ours—the future belongs to the South and the Southwest as compared with the North?

MR. TOMPKINS. I do not know that, and I do not believe that. [Laughter.] I believe we will have to compete for it now and in the future. There are many favorable conditions in New England that we have not got. One, for instance, is capital and cheap interest rates.

MR. CLARK. But capital always follows profits.

MR. TOMPKINS. Oh, it will grow. We will not give up.

MR. CLARK. We have the climate, and we have the free raw material, have we not? And they have the money and they have the manufacturing skill? I am talking comparatively, of course.

MR. TOMPKINS. We have not got free raw material any more than they have. They can get cotton in Fall River just as cheaply as we can in Charlotte.

MR. CLARK. They can?

MR. TOMPKINS. Certainly; and they are doing it.

MR. CLARK. They raise cotton all around Charlotte, do they not?

MR. TOMPKINS. Certainly; but we pay just as much for cotton as they do in Fall River; and Fall River pays just as much as Manchester does. Manchester can get her cotton from Galveston and put it in ships and bring it to Manchester as cheaply as Fall River can get it from New Orleans; and we have to pay the difference or we do not get the cotton. We have to pay the same price.

MR. CLARK. You do not undertake to say that the rates to Charlotte on raw cotton to be manufactured are as high as the freight rates to Fall River, do you?

MR. TOMPKINS. We pay the Mississippi price for cotton, plus the freight rate to Charlotte; and that is the price in Charlotte of the locally raised cotton.

MR. CLARK. What do they pay?

MR. TOMPKINS. Who?

MR. CLARK. The Fall River men?

MR. TOMPKINS. If I pay the same as they do, they pay the same as I do. [Laughter.]

MR. CLARK. I know; that is a very simple proposition; but do you say that the Fall River man pays the same freight rate that you do?

MR. TOMPKINS. I believe he pays a little less from New Orleans and Galveston by water than we do overland from Mississippi to Charlotte.

MR. CLARK. I know; but you are picking out the extreme point.

MR. TOMPKINS. No; I am picking out the point that we are actually getting cotton from, where a great many people in my section buy cotton—in Mississippi, and ship it to Charlotte.

MR. CLARK. They have to ship the cotton in the first place to New Orleans, do they not?

Mr. TOMPKINS. No; they can ship it direct overland by rail; and that is the way it comes to Charlotte.

Mr. CLARK. I know; but do they ship it overland to Fall River, too?

Mr. TOMPKINS. Sometimes they do, but I expect it goes mostly by boat. I do not know about that.

Mr. CLARK. Take Vicksburg, for instance—I just happened to think of that. Can the Fall River men get raw cotton from Vicksburg at the same freight rate that you can get it from Vicksburg?

Mr. TOMPKINS. I do not know about freight rates; but I do know that we pay about the same price for cotton that the Fall River people do, and that the Manchester people pay about the same.

Mr. CLARK. Is not this the truth of it: That you pay about the same per bale or per hundredweight, or whatever you sell it by, and that you pay that plus your freight rate; and the Fall River man or the Manchester man or any other man pays the same price for the cotton that you pay, plus his freight rate?

Mr. TOMPKINS. It all amounts to the same thing—that, in general, cotton costs delivered in Charlotte about the same price that it costs delivered in Fall River or in Manchester.

Mr. CLARK. That is, counting freights in?

Mr. TOMPKINS. Counting freights in.

Mr. CLARK. There must be something radically wrong about the freight business, then.

Mr. TOMPKINS. We think so ourselves.

Mr. Pou. I should like to ask you a question or two, if you please. You are familiar with the cost in England and in the United States of the kind of cotton-mill machinery that we use largely in the South, are you not?

Mr. TOMPKINS. Yes.

Mr. Pou. Will you please tell us the difference in the cost of spinning machinery, for instance?

Mr. TOMPKINS. England spins mostly with mule spindles, and we have ring spindles, so that it would be difficult to make the comparison. The mills are entirely differently organized. They talk about a mill in England being worth \$5 a spindle to build it new. In this country \$20 a spindle is a rough way of speaking of the cost of the mill. In England they do not own any operatives' houses. They do not do any weaving. There are a whole lot of factors that enter into that comparison that would have to be considered before the answer would be intelligent at all.

Mr. Pou. Is it not a fact that the protective tariff makes cotton-mill machinery considerably higher to the people of the United States?

Mr. TOMPKINS. Why, certainly. If it did not, there would be no object in protection; and it acts on cotton goods in the same way, which is what we want here to-day.

Mr. Pou. We have a common expression of "\$20 per spindle," I believe?

Mr. TOMPKINS. Yes.

Mr. Pou. So that the cost of a 5,000-spindle mill would be \$100,000. How much less could that mill be bought for if we had absolute free trade?

Mr. TOMPKINS. With English machinery? It would depend upon how you equipped it. You might buy one kind of machinery and make it come out one way, and buy another kind of machinery out of England and make it come out another way. But the duties on cotton-mill machinery vary from practically nothing up to 30 or 40 per cent. The average would be 15 to 20 per cent. We are brought face to face with the question of how much of that 15 per cent, if that is the right figure—and that is what I am telling you that I have not got enough figures by me to give you—how much of that is due to the difference in the American wage, and the American habit of living, and the American living in a house that is built for him, and a whole lot of questions of that sort. If you could formulate just what you want to know, I could take it, as in the case of the other question, and work it out to some intelligent solution. But I could not do it offhand in this way, because I have not got the facts.

Mr. POW. Do you think the cotton-manufacturing industry in the South receives any benefit from the protective tariff?

Mr. TOMPKINS. Why, yes. That is the thing we are here to talk about—to maintain a protective tariff on the ground that it does do good.

Mr. POW. I did not understand that you were talking about that particular industry in our particular section. I had not understood that you had specialized to that extent.

Mr. GRIGGS. Mr. Tompkins, you stated a few moments ago, as I understood you, that the product of the South had been increased from three hundred millions of dollars to a billion and a quarter. You did not mean by that that the price of the cotton crop had increased that much?

Mr. TOMPKINS. I meant that 10,000,000 bales of cotton, which I spoke of as being worth ten or twelve years ago \$300,000,000, were worth last year over \$600,000,000.

Mr. GRIGGS. Yes.

Mr. TOMPKINS. There are 600,000,000 for what we formerly got 300,000,000 for. I meant that the cotton-oil product, which is a totally new asset and resource, is worth a hundred millions more. I meant that the perishable farm products made valuable by the consumption of the manufacturing population were worth a hundred millions more. You can build it to a billion and a quarter without any difficulty whatever; and I think it is true.

Mr. GRIGGS. I simply wanted you to itemize; that is all.

Mr. TOMPKINS. Yes. It is the general receipts from the most important vocations in the South which formerly amounted to three hundred millions, and now amount to a billion and a quarter, and the influence of the diversified manufacture development, which takes them out of cut-throat competition with each other and makes consumers where they were formerly competitive producers, and in some cases makes new sources of income.

Mr. UNDERWOOD. I should like to ask you a few questions on this proposition, Mr. Tompkins.

Mr. TOMPKINS. Certainly.

Mr. UNDERWOOD. If I understood you correctly, you stated that in this last decade the price of the cotton crop in the South had increased from three hundred millions to six hundred millions; and you at-

tributed that to the increase of cotton mills or manufactories in the South. Is that true or not?

Mr. TOMPKINS. No; not cotton mills—all manufactories; diversified occupations based upon manufacture and commerce.

Mr. UNDERWOOD. The thing that fixes the price of cotton (we will limit the question to cotton, because that is what we have under discussion) is the demand for the article. You agree that the question of supply and demand is really, in the cotton market at any rate, the question that fixes the price, is it not?

Mr. TOMPKINS. Supply and demand; yes.

Mr. UNDERWOOD. I said supply and demand.

Mr. TOMPKINS. But not demand alone.

Mr. UNDERWOOD. I said supply and demand.

Mr. TOMPKINS. Yes; all right.

Mr. UNDERWOOD. And you attributed that to the increased cotton manufactories in the South?

Mr. TOMPKINS. No; I did not.

Mr. UNDERWOOD. And the building of railroads?

Mr. TOMPKINS. I attributed it to the development of diversified manufacture—commerce and manufacture—of which cotton manufacture is an important element.

Mr. UNDERWOOD. The building of railroads and the building of steel plants and the development of other industries does not make any demand for cotton; does it?

Mr. TOMPKINS. It makes consumption of cotton and increases the world's consumption; and it does this—

Mr. UNDERWOOD. We will agree on that.

Mr. TOMPKINS. If you please, I want to answer your question.

Mr. UNDERWOOD. Certainly; go ahead.

Mr. TOMPKINS. It affects the question of supply and demand very materially, because it curtails the supply. It takes so many people out of the production of cotton that we see it has increased very much less than it did in the first three decades; and therefore the increase is more due to the curtailment of the supply, which does not mean that the supply of cotton is less. I think I see your question already. There is more cotton produced now.

Mr. UNDERWOOD. Certainly; certainly.

Mr. TOMPKINS. But in the first three decades the production was doubled every ten years. In the last ten years it has practically remained the same; and there is where the diminished supply comes in.

Mr. UNDERWOOD. In the last ten years we have had two 13,500,000-bale crops, and at the beginning of the decade it had never reached more than a 9,000,000-bale crop; had it?

Mr. TOMPKINS. If it had increased in the same ratio as it did in the first three decades, we would have been making 20,000,000 bales of cotton right now, and it would be selling at 5 cents a pound.

Mr. UNDERWOOD. But, as a matter of fact, the price of cotton is fixed in the world's markets, and not on our local markets; is it not?

Mr. TOMPKINS. But the supply is fixed in our local markets, wholly or so nearly wholly that whatever affects the supply from our market affects the world market.

Mr. UNDERWOOD. Unquestionably; but we will both agree that there has not been a diminution in the supply in the last decade.

Mr. TOMPKINS. There has been a diminished rate of increase—a very much diminished rate of increase.

Mr. UNDERWOOD. But there has been a very large increase, whether the rate has been less or not?

Mr. TOMPKINS. The rate is what counts, though, because the increasing rate of the world is continuing, and those very people who went out of the business and made the rate of increase less have become consumers and have increased the other end of your very proposition. It is regulated by supply and demand. Every man that quits the cotton field and goes into a steel mill or an oil mill or a woolen mill diminishes the supply, or the rate of increase of the supply, and increases the demand; and that is what has made the difference in the price of cotton. That is what has made the difference in the prosperity of the South.

Mr. UNDERWOOD. Yes; but of course if the supply fell off in proportion to the increased demand, it would increase the price. But the supply has actually increased. It is the world's market that makes the demand. The supply is local, but it is the world's market that makes the demand. Do we not agree on that proposition?

Mr. TOMPKINS. Yes; but it is the local market that makes the supply, and that is the biggest factor in this question of the change of price.

Mr. UNDERWOOD. Wait a minute; I want to ask you this question:

Mr. TOMPKINS. All right.

Mr. UNDERWOOD. You spoke about the increase of the number of looms in England. Have not the English looms and the foreign looms increased very much more greatly in proportion in the last ten years than the development in the South has been?

Mr. TOMPKINS. How do you mean—increase in numbers or in improvement?

Mr. UNDERWOOD. In the amount of production, the amount of consumption of cotton. The loom consumes cotton. Has not the consumption of the looms in England and in other foreign countries increased very much more greatly than the amount of increase in the South?

Mr. TOMPKINS. There has been a large increase.

Mr. UNDERWOOD. It has been very much greater in proportion, has it not?

Mr. TOMPKINS. England's spindles have increased from practically forty to fifty million spindles in the last decade, say. I am speaking from general knowledge, now, but without accurate knowledge.

Mr. UNDERWOOD. Relatively, though, I think we will agree (I think you stated this a while ago in your answer to a question) that the increase in the foreign looms has been much greater than it has been here at home.

Mr. TOMPKINS. No; I did not say that.

Mr. UNDERWOOD. I understood you to say that.

Mr. TOMPKINS. Perhaps in numbers—the increase in foreign spindles I stated; not looms. I am not familiar with the loom business.

Mr. UNDERWOOD. Now I want to ask you this question: I agree with you thoroughly that we are in a most happy condition in the South; that we have come out of our adversities notwithstanding the high taxes that we have had to pay and a great many other loads that we have had to carry; and the South is prospering and coming to the

front as no other part of the country is. But I want to ask you this: I noticed awhile ago that you referred to the increased supply of gold, and I judged from what you said that you believe in the quantitative theory of money. Is that correct?

Mr. TOMPKINS. I do not know what that is. [Laughter.]

Mr. UNDERWOOD. In other words, that the amount of basic money in the country is what measures the value?

Mr. TOMPKINS. Certainly, I think so.

Mr. UNDERWOOD. I know that you are one of the best-informed men in the South, and of course you recognize the fact that in the last decade the amount of money in this country has increased from \$22 per capita to \$35, and that the world's supply of gold has very largely increased in the last decade. Do you not think that that has had a very great effect on the price of cotton, cotton goods, and all other agricultural products?

Mr. TOMPKINS. I do not think the increase of gold has gone far enough yet to more than offset the increase in the industrial development. I think that relatively we have approximately the same amount of money as we had before this great industrial development began. But if it continues ten years more, and we do not keep the industrial development parallel with it by protection or otherwise, then I think we will begin to see high prices, high interest rates, and inflation. But there are other people who are better students of finance than I am who think that we have not got too much money for what we are doing; that we have increased to the extent that we have in proportion to the increase of money, and that we are going to keep on doing it.

Mr. UNDERWOOD. Of course; and I agree with you thoroughly. I think it is an excellent thing to have plenty of money in the country.

Mr. TOMPKINS. That is rather speculative, however.

Mr. UNDERWOOD. But as I understood you to say a while ago that by reason of the large increase of this basic money in the country we were increasing the price of the commodities of the country, and thereby lessening the rate of duty, or removing the protection by increasing the value of the article, due to the increased supply of gold. Is that what you said?

Mr. TOMPKINS. I suggested that that was a consideration which was worth the attention of this committee. I did not make any prediction as to whether it would come true or not, because there are counter speculations.

Mr. UNDERWOOD. If it is worth the attention of this committee, is it not worth the attention of this committee that in all probability the increased value of cotton, the fact that we are selling cotton for a higher price and at a larger profit now, is due to the increased supply of basic money in the country?

Mr. TOMPKINS. It may be in a very slight degree; but it would only be in a very slight degree, because up to the present time the South has had a less proportion of the money than she ought to have had to do the business she has done. It has been done on a very limited capital. And if we admit your proposition that it has had some influence, still we can not disregard the proposition that the drafting of so many people out of the production of cotton and into other fields of labor, making them consumers, making them consumers of perishable farm products, which give occupation to a great many who

were left in the cotton fields, has had an important influence and the most important influence and the most certain influence. It may be that the increasing production of gold has slightly stimulated the price of cotton, but as to the great increase, that 100 per cent increase, at least 90 per cent of it has been due to the industrial development of the South, the drafting of her working population out of the cotton fields into the factories, and the factory population becoming consumers of cotton and consumers of perishable farm products, which are made by farmers who would otherwise make cotton.

Mr. UNDERWOOD. Mr. Tompkins, I would like to ask you this question—

Mr. TOMPKINS. Certainly.

Mr. UNDERWOOD. Do you think that the relative increase of the cotton crop and the increase in the price is greater than that of corn or of wheat or of the other agricultural products that in the last ten years have developed in value and in price and in the extent of the crop throughout the confines of the United States, and are not confined to the South?

Mr. TOMPKINS. I think that in the last ten years, if the whole population in a corn-growing district or a cattle-growing district or any other agricultural district had continued to stay on the farm and do nothing but stay on the farm and produce corn, or wheat, or live stock, as the case may be—if those sections had not developed diversified manufactures, corn would be worth one-half what it is; and I think that the parallel between them and cotton is exact.

Mr. UNDERWOOD. We agree on that proposition entirely; but I thought you were basing your arguments entirely on the development of the cotton mills in the South, irrespective of the growth of the country and the world. Of course we will agree that if all the world went to raising agricultural products, agricultural products would soon have a very small relative value. But now I want to ask you this question in reference to the measure of the value of cotton: The value of cotton is not measured by the money in the South. The value of cotton is fixed in the Liverpool and the New York markets, is it not?

Mr. TOMPKINS. The gold is not all in the South; but the value of cotton is a world proposition, and gold is a world proposition.

Mr. UNDERWOOD. Undoubtedly; but it is fixed in the markets of the world?

Mr. TOMPKINS. Certainly; and if gold diminishes much in value its effect to increase the price of cotton in the South is all that I am talking about.

Mr. UNDERWOOD. Certainly; we agree on that proposition, but it is not confined merely to the development of the South. It is confined to the development of the world, which fixes the price.

Mr. TOMPKINS. Your remark, "We agree upon that proposition," reminds me of one I have often made—that we have got to raise enough revenue to run this Government by the tariff, together with some internal revenue.

Mr. UNDERWOOD. I agree with you most heartily on that proposition.

Mr. TOMPKINS. But I believe that 80 per cent of the people of the United States favor a tariff for protection which incidentally raises revenue, or a tariff for revenue which incidentally protects; that

the difference between the two is the difference between tweedledum and tweedledee; that the so-called "free traders" are mostly the-
orists; that if you should turn the Government over to them they could not run it, and if you should turn it over to the "stand-patters" you would not have it long. [Great laughter and applause.]

Mr. UNDERWOOD. I am glad to say that I agree with you again.

Mr. TOMPKINS. I am in favor of protection first. I would put protection before the raising of the revenue, and if it a little more than raises the revenue I would re-lay it so as to protect American industries. It has to protect American industries; it has to raise the revenue; it has to do both of those things.

The CHAIRMAN. Do you still say "amen" over there?

Mr. UNDERWOOD. No; I do not. [Laughter.] I think the important thing is first to raise the revenue; the incidents may come afterwards.

Mr. TOMPKINS. But you have got to have a tariff to raise revenue.

Mr. UNDERWOOD. Yes; I agree with you about that.

Mr. TOMPKINS. Now, if you have got to do it what difference does it make whether we call ourselves, in politics, in favor of a tariff for revenue which incidentally protects or a tariff for protection which incidentally raises revenue? Take a man who favors a tariff for revenue which incidentally protects—is there a man in Congress who, knowing that he had to raise so much money here, would not lay it in favor of American industries as against laying it on tea and coffee?

Mr. UNDERWOOD. There is a distinction, though, Mr. Tompkins, in this: Some of our friends who believe in protection would lay a tax that is prohibitive and allows no competition and raises no revenue; whereas we who believe in a revenue tariff believe in producing some revenue for the Government at the same time that the tariff may incidentally effect the result that you desire.

Now, there is one question aside from this theory——

Mr. GAINES. Are you talking about a tariff for revenue only, or a tariff for revenue with incidental protection?

Mr. UNDERWOOD. A tariff for revenue is a tariff for revenue. The other result may follow; but if it is laid for revenue it is laid primarily for revenue, and it is not necessary to go further.

Mr. TOMPKINS. You can not help going further.

Mr. UNDERWOOD. It will go of itself, though. At least the committee does not have to carry it any further.

Mr. TOMPKINS. You have to lay these tariffs.

Mr. UNDERWOOD. Undoubtedly.

Mr. TOMPKINS. Are you going to lay a tariff on silk dresses, and so on, and tea and coffee; or are you going to lay it on the cotton-manufacturing industry, the industry of the South that raises the condition of the farmer 100 per cent in ten years?

Mr. UNDERWOOD. I thought we agreed that the world's supply of gold had an effect on the tariff. But, Mr. Tompkins, I want to ask you a practical question about your milling interests there. The mills in the South largely produce the coarser fabrics, do they not?

Mr. TOMPKINS. Generally speaking, yes; but there are some mills now going on to finer numbers, and that is the purpose of talking to you about the finer numbers. I have no desire to occupy your time with speculative theories about matters which do not concern us practically.

MR. UNDERWOOD. On that question of the coarser fabrics, I wanted to ask you where the mills of the South find their market for the coarser fabrics of cotton goods?

MR. TOMPKINS. Chiefly in the United States; to a very limited extent in China; and to a still more limited extent in a few foreign countries that it is hardly worth while to mention, because they do not amount to much.

MR. UNDERWOOD. Quite a considerable amount of the cotton fabrics that are produced in this country, and largely from the southern mills, find their market in the Orient to-day. That is a fact, is it not?

MR. TOMPKINS. Certainly.

MR. UNDERWOOD. And in the Orient they meet the British goods in a free-trade market, on a competitive basis, and are able to compete on those fabrics in that market without a protective tariff; is not that true?

MR. TOMPKINS. That is true.

MR. UNDERWOOD. In that case, dismissing for the time being the question of a revenue tariff, which I agree with you on—I think we must levy a revenue tariff; but so far as a protective tariff is concerned, when we can meet our competitor, the English mill man, in the markets of the Orient and fight him on an even basis, does not that indicate that we would be able to survive whether we had the tariff or not?

MR. TOMPKINS. If conditions all remained the same; yes.

MR. COCKRAN. You made one remark to Mr. Clark which I consider of the greatest importance, Mr. Tompkins. You stated that perhaps the most important element in the industrial growth of the South was the abolition of slavery.

MR. TOMPKINS. There is no doubt about that.

MR. COCKRAN. And by that I presume you meant that you found free labor much cheaper in the sense of being much more productive than slave labor?

MR. TOMPKINS. To say that it is much cheaper would involve an apparent contradiction, which, nevertheless, is not the case. We pay free labor, and we did not pay the slaves.

MR. COCKRAN. Exactly.

MR. TOMPKINS. The inferior initiative of the slave, the inferior energy of the slave—and I speak of the slave exactly as if he was a white man; it would be applicable just the same—make the present condition far the most profitable and far the most in accord with modern Christian civilization.

MR. COCKRAN. In other words, you agree that the cheapest labor that was ever known (slave labor) was really the most expensive, the most wasteful?

MR. TOMPKINS. Not the most expensive, but the one that led to the degeneration of the country. Before the institution of slavery was thoroughly established in the South, or more thoroughly established than in the rest of the country, we had diversified manufacturing interests. The section that I live in was once the most progressive manufacturing section in the United States. In the time when we had free labor and diversified manufactures cotton ranged from 28 cents a pound up to 44 cents a pound, without any constraining influence like the civil war, which carried it to 80 cents a pound. As

the institution of slavery grew, and as slaves began to be imported (and I will omit the reference to New England that is usually made in this connection), cotton went down, down, down, to 5 cents.

The population and wealth of my State practically remained the same from 1830 to 1860, getting more and more under the control of slavery. There are people who think that white immigration stopped there because of the negro. It did not. It stopped because of the institution of slavery. They think that manufactures dried up because of the negro. But they did not. We see manufactures revived in the presence of more negroes than we ever had before. So that it is this matter of making national laws to foster diverse occupations that is making it possible for us to get back to the position that we formerly occupied, relatively, in this nation. We have got a start there, and we do not want these favorable conditions interfered with.

Mr. COCKRAN. Exactly. You agreed with me, I think, that this labor which cost nothing in the way of wages was in fact much less profitable?

Mr. TOMPKINS. Much less profitable—that is a better way to put it.

Mr. COCKRAN. It is the same thing to me. It was much less profitable than free labor which is paid a daily wage?

Mr. TOMPKINS. Certainly; I agree with you on that proposition.

Mr. COCKRAN. I agree with you fully.

Mr. BOUTELL. There are just two points I want to refer to in reference to their effect upon the development of the cotton manufacturing industry under protection in the South, and particularly in the State of North Carolina. According to the census, North Carolina has the smallest percentage of population of foreign birth or parentage of any State in the Union.

Mr. TOMPKINS. I have heard that said frequently, and I believe it is accurate.

Mr. POT. One-tenth of 1 per cent, is it not?

Mr. BOUTELL. According to the census, it is a mere trace; and your population is made up very largely of English, Scotch, Irish, Moravians, and a few Huguenots. So that you have in North Carolina, have you not, as good a material as there is in the world to draw on for educating these skilled mechanics in textile work?

Mr. TOMPKINS. Yes; and in the colored labor we have a good labor to draw upon for the general work. Instead of the colored man being a disadvantage he is an advantage. It was the institution of slavery which was a disadvantage, not the colored man. So you can include him in your list of good laborers.

Mr. COCKRAN. It is a free laborer's advantage?

Mr. TOMPKINS. Yes.

Mr. BOUTELL. But I had particular reference to the development of the cotton manufacturing industry in North Carolina under protection, when the time comes when they can make these finer classes of goods.

Mr. TOMPKINS. Yes. We have as good material to make good labor as any part of the country has.

Mr. BOUTELL. Yes. The second point was this: Like my friend Mr. Clark here, I also received enlightenment from North Carolina, and I wish we had the time for you to tell this committee briefly what

you told me three and a half years ago at Charlotte in reference to the effect of the establishment of these manufacturing centers and villages upon education. But to put it in a question, it is true, is it not, that the development of these villages, in bringing in people from the isolated farms and mountain districts, has greatly increased the number of public schools and of the school population in western North Carolina?

Mr. TOMPKINS. Very much so; and I am willing to answer at any length your question, if the patience of the committee holds out.

Mr. BOUTELL. I know it would interest them, Mr. Tompkins, if they could hear it; but I wanted to bring out that point. That is all, Mr. Chairman.

The CHAIRMAN. Are there any further questions?

Mr. GAINES. We have not had the answer to that.

Mr. TOMPKINS. I am subject to the instructions of the chairman. Shall I proceed to answer for five minutes?

Mr. BOUTELL. I wish he could.

The CHAIRMAN. Yes.

Mr. TOMPKINS. The influence of slavery in the production of cotton was to drive out our free white labor and develop emigration and put a stop to immigration. A great many of the most important men of the Central Northwest left the South during the period from 1820 to 1860 to escape the institution of slavery. A great many free white people were left there without capital and without labor, and they became very poor and did not have schools. The laws which sustained slavery did not provide public schools, because they did not want them among the slaves. And there was a tide of other emigration to the Southwest, carrying slaves with it. Mr. Lincoln was one of our northwestern emigrants. His origin was in North Carolina whether he was born there or not, and a great many others of the best population of the Central Northwest came from that Piedmont region originally. As the institution of slavery became more and more permanently established it left a large number of white people, who, since the civil war, have been brought into the factories out of log cabins in many cases and put in good houses—who have been brought from where they did not have any schools or social life into a condition where schools were provided and churches were provided and means were provided to improve the social life. I speak of the improvement, not alone to that class of people, but to all the white people of the South. When slavery fell, the effects of the civil war could have been recovered from as quickly as France recovered from the war with Prussia, but from the fall of the institution of slavery it took us a quarter of a century to recover, and Christian civilization was for a quarter of a century in the balance.

But having reestablished decent government under white judgment, there began a diversification of occupations. The colored man himself, who had been the slave and who had been one of the disturbing factors in the reconstruction period, became useful; and we have quickly worked out of a condition that was most deplorable for everybody into one in which everybody is making about all the improvement he is entitled to.

That is about the whole story.

Mr. COCKRAN. It is the greatest phenomenon of history, is it not?

Mr. TOMPKINS. It certainly is.

**KUBIE, HEIMANN & CO., NEW YORK CITY, WISH EXPORTED
COTTON CLOTH ADMITTED DUTY FREE.**

NEW YORK, *December 10, 1908.*

HON. SERENO E. PAYNE,

*Chairman of Committee on Ways and Means,
Washington, D. C.*

DEAR SIR: I would recommend that in the proposed new tariff law a clause be incorporated whereby the value of American cotton cloth exported for the purpose of being embroidered upon should not be dutiable when returned to this country.

I have reference to the St. Gall, Switzerland, industry. At present all the cotton cloth used in the manufacture of Swiss embroideries is either of English or Swiss make. The advantages to be derived by the United States in adopting a law as above would be (1) a demand for cotton cloth manufactured in this country; (2) the employment of thousands of hands in the cutting out and putting up of such embroideries into pieces.

The method as suggested is the one adopted by the Austrian Government in relation to Switzerland in the same industry. Embroideries are made on 54-inch unbleached cloth, on machines, ranging from 4½ to 10 yards. The cloth could be cut into strips of such lengths and stamped by United States customs officials with the date and the initials of the manufacturer before leaving this country and be identified when returned to this port embroidered.

The duty would be paid upon the valuation of the stitching plus the bleaching. The approximate number of people that would be employed by the different manufacturers in the cutting out and putting up, which would have to be done in this country and paid American wages, could no doubt be supplied to you by the examiner in charge of this department in New York custom-house.

Such a law would affect all manufacturers and dealers alike and would benefit the country by creating practically as yet an unexisting demand for American labor.

If you wish further information regarding this, I would be glad to supply same at your request or if necessary appear in person before your committee.

Yours, very respectfully,

MARTIN HEIMANN,
For KUBIE, HEIMANN & Co.

**STATEMENT OF ROBERT K. MACLEA, OF 79 WORTH STREET, NEW
YORK CITY, RELATIVE TO COTTON CLOTH.**

SATURDAY, *December 19, 1908.*

(The witness was duly sworn by the chairman.)

The CHAIRMAN. What is your name, sir?

Mr. MACLEA. Robert K. MacLea.

Mr. Chairman, I come here representing a number of the leading merchants of New York City, cotton importers and exporters, who have requested me to put certain information before you in the shape of a brief, which I ask the privilege of reading, and to submit, I think, six or seven exhibits. That would take perhaps ten minutes, and any questions that you desire now to ask in the matter I would be glad to answer.

The CHAIRMAN. The committee is hardly in shape to ask any questions when they do not know what you desire to have done. If you want to read a brief, you may proceed.

(Mr. MacLea read the following brief:)

WASHINGTON, D. C., *December 19, 1908.*

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: We, the undersigned committee, representing the leading cotton-goods importing and a number of exporting interests of New York, respectfully call attention of your committee to the following resolution passed at a meeting held in New York City December 16, 1908, wherein the above-mentioned merchants assembled for the purpose of conveying to you through this committee their views in regard to the cotton-cloth schedule of the present tariff.

The following resolution was unanimously passed:

I. While we consider the present rates on cotton fabrics excessive for the requirements of this country, we do not advocate a change toward reduction except on a gradual, small percentage basis, should you see fit to advise a change.

II. We respectfully ask that paragraph 313 be omitted from the next tariff schedules entirely, because its purpose is now found to work to a disadvantage to the government interests by prohibiting entirely the importation of a class of goods known as "lappets, or lappet weaves, or leno weaves," and any fabrics of similar nature except to a very limited amount of merchandise so small as to be of no importance. Furthermore, on account of litigations through the courts regarding this paragraph, it is a question whether the final court decision will not work the reverse way to that intended and allow only the collection of duties at a net lower rate than the ad valorem rates specified in the cotton schedule, paragraphs 304-310, inclusive.

III. We desire to have you avoid additional paragraphs made to ostensibly cover certain productions outside of the regular cotton schedule which could be subsequently held to include a vast amount of fancy cottons not intended; for illustration, refer to suggestions by upholstery people in their brief filed with you December 1. The effect of such a paragraph worded as they put it would include all kinds of cotton goods which could possibly be used for upholstery purposes, though 99 per cent of which would be used for other purposes.

IV. We call to your attention that while domestic manufacturers claim they need the great protection given because of "increased" importations of fine goods, it is our belief that the importations are no larger than the natural increase of the use of cotton fabrics for general purposes in this country warrants, and that such as are imported generally are only in exceedingly small quantities at any time as compared with the amount turned out in this country if the same or similar article is made here. In other words, importations of cotton fabrics generally comprise novelties and large ranges of different ideas in small quantities.

V. We suggest that paragraph 310 be worded to define more sharply its intention, and should read as follows:

"The term 'cotton cloth,' or 'cloth,' wherever used in the paragraphs of this schedule, shall be held to include all woven fabrics of cotton in the piece or otherwise, *woven on hand or power looms*, whether figured, fancy, or plain, the warp and filling threads of which can be counted by unraveling or other practicable means."

VI. We ask that if you find changes advisable in the cotton schedules to increase revenue to the Government (irrespective of corrections) you will make the reductions on a gradual scale so as not to upset the business interests throughout the country.

Respectfully submitted.

R. K. MACLEA, *Chairman*,
R. S. HAWTHORN,
JOHN DARLING,
Committee Importers and Exporters.

Mr. GAINES. Do you intend to leave out the words, "unless otherwise especially provided for" there?

Mr. MACLEA. Yes, exactly; and to put in the words "woven on hand or power looms."

That petition is signed by a committee representing over 25 of the leading merchants of New York City.

In this respect, Mr. Chairman, I desire to submit to you several exhibits, marked from "A" to "G," inclusive, and I would like to read one or two of them, carrying out our views, to give you an idea as to where this matter stands.

The first article is all cotton unbleached cloth made in the United States. The American price, including manufacturer's profit, is $4\frac{1}{2}$ cents a yard. [Reads:]

Comparison: If made abroad at same price (but foreign price is higher, thus permitting large exportations to world's markets against foreign make)—

	Cents.
Price, 36 inches.....	4.875
Plus $2\frac{1}{2}$ per cent for cases, packing, freight.....	.122
	4.997
Duty 100/150 threads per square inch, under 4 square yards per pound, value under 9 cents square yard, is $1\frac{1}{2}$ cents per square yard.....	1.50
Landed cost.....	6.497

Equals 33 per cent duty.

Mr. CRUMPACKER. What is that produced for? I mean the American fabric. What is the cost of production here, including manufacturer's profit?

Mr. MACLEA. Four and seven-eighths cents a yard.

Mr. CRUMPACKER. And the foreign product?

Mr. MACLEA. Costs more.

Mr. CRUMPACKER. The foreign product costs more than nine-tenths of a cent a yard in the market here, to which you add $1\frac{1}{2}$ cents a yard duty, making $6\frac{1}{2}$ cents?

Mr. MACLEA. Yes; making $6\frac{1}{2}$ cents.

Another article, "Exhibit B," showing a bleached cotton, a plain weave. The manufacturers' price is $5\frac{3}{4}$ cents a yard. [Reads:]

Comparison: If made abroad at same price (but foreign price is higher, thus permitting free and large exportations to world's markets against foreign make)—

	Cents.
Price, 36 inches.....	5.75
Plus $2\frac{1}{2}$ per cent for cases, packing, and freight.....	.14
	5.89
Duty 100/150 threads, over 4 and under 6 square yards, per pound, value under 11 cents square yard, is 3 cents square yard.....	3.00
Landed cost.....	8.89

Equals 51 per cent duty.

Both of these articles pay a specific rate of duty.

Mr. GAINES. I do not know whether I am following you or not on this particular thing. If they can make the thing in this country cheaper than they can make it abroad, you would not import any of it?

Mr. MACLEA. We are selling that in the markets of the world successfully against the foreign makers.

Mr. GAINES. You seem to claim too much. If the cost of making here is so decidedly cheaper than the cost abroad, you could not import any if the duty was taken off, could you?

Mr. MACLEA. Yes.

Mr. GAINES. Why, and how?

Mr. MACLEA. Because in England and Germany they make styles which we could then copy here, and they would be imported to a certain extent merely because they would be different in pattern and design, the result of brain work only on the fabric. This will give us opportunity to keep it in the country.

Mr. GAINES. Is this the kind of cloth that the paragraph you deal with now refers to?—

The term cotton cloth, or cloth, wherever used in the paragraphs of this schedule, unless otherwise specially provided for, shall be held to include all woven fabrics of cotton in the piece or otherwise, whether figured, fancy, or plain, the warp and filling threads of which can be counted by unraveling or other practicable means.

Mr. MACLEA. It is not These exhibits that I am handing in are for the purpose of showing you something that I am leading up to and which we want to advocate, and that is, simplicity in the cotton schedule. The present schedule is very complicated indeed, so much so that for the eleven years of its existence it is constantly disputed, the appraisers themselves often being unable to determine under what particular schedule any piece of cotton goods may come. We are here advocating simplicity in this schedule.

Mr. DALZELL. The article Mr. Gaines refers to is made, you say, cheaper in this country than abroad?

Mr. MACLEA. Yes, sir.

Mr. DALZELL. What do you propose as to the duty—to lower it or leave it as it is?

Mr. MACLEA. To let it alone. But we show you the facts that exist, showing the complications. There are fabrics of the most similar nature that pay different rates, varying from 25 to 75 per cent, yet they are similar in construction.

Mr. DALZELL. There are no importations of this at all now, are there?

Mr. MACLEA. No, sir.

Mr. BONYNGE. What is your request? What change do you want?

Mr. MACLEA. I have put them in the brief that I have read.

Mr. BONYNGE. In this particular exhibit that I hold, "Exhibit B," you say that the American price is 5½ cents a yard, and that the comparison, if made abroad at the same price—but the foreign price is higher, thus permitting free and large exportations to the world's markets against foreign makes—would be [reads]:

	Cents.
Price, 36 inches-----	5. 75
Plus 2½ per cent for cases, packing, and freight-----	. 14
	5. 89
Duty 100/150 threads, over 4 and under 6 square yards per pound, value under 11 cents per square yard, is 3 cents per square yard-----	3. 00
Landed cost-----	8. 89
Equals 51 per cent duty.	

Under the tariff, what duty would be charged on that particular kind of piece of cloth?

Mr. MACLEA. On "Exhibit B" 3 cents per square yard.

Mr. DALZELL. What is the price of it?

Mr. BONYNGE. The American price, including manufacturer's profit, is 5½ cents.

Mr. MACLEA. We do not know the foreign price, because we can successfully compete with the foreigner on that and can sell those goods abroad successfully.

Mr. BONYNGE. You have stated the foreign price to be 5.75, exactly the American price, including the manufacturer's profit, and then you add to that 2½ per cent for cases, and then the duty, making a total of 8.89. But the foreign price, less packing, is precisely the American price, if I understand your figures.

Mr. MACLEA. Yes. We find, against English makes, that we can sell those goods successfully.

Mr. DALZELL. I suppose the duty does not do any harm, but I do not see what good it does.

Mr. MACLEA. We show you the inconsistency of the rates of duty in the cotton schedule.

Mr. CRUMPACKER. I understand you to claim that they are inequitable and not harmoniously adjusted?

Mr. MACLEA. Yes; that they are inequitable and not harmoniously adjusted.

Mr. DALZELL. I understand you attempt to show that they are irregular with respect to each other, but you are also showing at the same time that there is no necessity for it?

Mr. MACLEA. That is not my purpose, however.

Mr. DALZELL. Whatever may be your purpose, that is the result, is it not?

Mr. MACLEA. Undoubtedly.

Mr. CRUMPACKER. I notice in your brief that you state that the duties are highly excessive, but that you are not asking for a reduction, excepting to bring about a more equitable arrangement in proportion to the cost and value.

Mr. MACLEA. Exactly.

Mr. GAINES. Is your remedy the substitution of ad valorem duties for specific?

Mr. MACLEA. Personally I think there should be a maximum ad valorem rate not exceeding 40 per cent and a minimum rate of 25 per cent.

Mr. GAINES. Is that what you advocate in the brief?

Mr. MACLEA. No.

Mr. GAINES. What do you advocate in the brief?

Mr. MACLEA. We ask that you do away with paragraph 313, which is something that has worked, in a way, entirely different from the way it was intended, and which is putting a higher duty than was intended on a lot of cloths, namely, leno weaves and fancy Swiss weaves, that are not made in this country.

Mr. FORDNEY. What do you recommend in its place?

Mr. MACLEA. That it be wiped out, and should not be there.

Mr. BONYNGE. Under what paragraph, then, would the articles provided for in paragraph 313 be included?

Mr. MACLEA. Paragraph 313 is a rider for paragraphs 304 to 310, inclusive. It was made to affect some of the goods in those paragraphs, and by its reading it has been construed to affect a great many

goods not intended to be included. It was originally made to affect a class of weaving known as "lappets," but it is held to include a vast amount of leno weaves and Swiss sprigs, which is unnecessary and which deprives the Government of revenue, any way.

Mr. FORDNEY. Would we get as much revenue under paragraphs 304 to 310 if paragraph 313 was wiped out?

Mr. MACLEA. We would get more.

Mr. FORDNEY. On the same quantity imported?

Mr. MACLEA. Hardly on the same quantity imported, because the goods that this is held to apply to are still in litigation in the courts, and it may eventually be shown that the total amount of duty that the Government would get would be less than the two combined, paragraphs 304 to 309, plus paragraph 313.

Mr. FORDNEY. The suits are begun and pending because you believe the duties under paragraph 313 are too high?

Mr. MACLEA. I did not catch that.

Mr. FORDNEY. Is it because you think the duties are higher than they would be under the other paragraph?

Mr. MACLEA. No. Paragraph 313 is a paragraph that reads so as to cover goods that contain other than the ordinary warp and filling threads introduced in the process of weaving to form a figure, whether known as lappets or otherwise. It says that such goods shall pay, in addition to the goods in the preceding paragraphs, an additional 1 cent per square yard if valued at not more than 7 cents per square yard, and 2 cents additional per square yard if valued at over 7 cents per square yard. They are still undetermined whether the groundwork of the fabric shall designate or determine the ad valorem duty or not. If the article costs 10 pence in England and it has this additional thread in it, which would make it 2 cents more under that wording, and it is so worded that the ad valorem duty only covers the groundwork of the fabric, the total duty collected would be 40 per cent on the value of the groundwork and only 2 cents on the additional thread, which might be 40 per cent on 6 pence, the value of the groundwork—a duty of less than 40 per cent all told.

The CHAIRMAN. I think you will have to come back after recess, Mr. MacLea.

Mr. MACLEA. I will just put in, then, these four or five other exhibits.

The CHAIRMAN. Have you finished your statement?

Mr. MACLEA. I was about to add the other exhibits and refer to them, Exhibits C, D, E, F, and G, all of which further illustrate—

The CHAIRMAN (interrupting). I notice that you do not specify under what clause the articles now come in.

Mr. MACLEA. Exhibit C—

The CHAIRMAN (interrupting). The one I saw did not state that; you say 50 by 56, not exceeding 100 threads to the inch. What does that mean?

Mr. MACLEA. The count per square inch.

The CHAIRMAN. Then we can easily tell the clause it comes under in the tariff.

Mr. MACLEA. Paragraphs 304, 305, 306, and 307, each go upon the amount of threads to the square inch and the duty assessed accordingly, increasing every 50 threads.

The CHAIRMAN. What is your business?

Mr. MACLEA. Importer and merchant, and seller of American products—cotton goods.

The CHAIRMAN. Why do you suggest this change? I understand it does not change the duty according to your idea.

Mr. MACLEA. It does change the duty.

The CHAIRMAN. Does it make it higher or lower?

Mr. MACLEA. It makes it lower.

The CHAIRMAN. How much lower?

Mr. MACLEA. Ten per cent, approximately.

The CHAIRMAN. What do you mean when you say 10 per cent, ad valorem or 10 per cent reduction in the duty?

Mr. MACLEA. Ten per cent on the goods.

Mr. GAINES. Do I understand your position is that the whole cotton schedule is not well proportioned, and in addition to that that clause 313 results in a duty being charged on kinds of cotton cloth which were not intended to bear any duty at all, and which do not come in competition with any similar American product?

Mr. MACLEA. They were not intended to bear any duty except under paragraphs 304 to 310, inclusive.

Mr. GAINES. And were not intended—

Mr. MACLEA (interrupting). To come under paragraph 313.

Mr. GAINES (continuing). And pay a high additional duty as being cloth in which other than the ordinary warp and filling threads have been introduced in the process of weaving to form a figure?

Mr. MACLEA. Yes, sir.

Mr. GAINES. In other words, figured cloth is now paying a duty which, in your opinion, it was never intended to pay, because it does not compete with anything made in this country. Is that the idea?

Mr. MACLEA. Exactly so.

The CHAIRMAN. You may file the exhibits with the clerk.

Mr. MACLEA. Very well.

COTTON UPHOLSTERY FABRICS.

[Paragraphs 304–309.]

BRIEF SUBMITTED BY DOMESTIC MANUFACTURERS ASKING FOR NEW CLASSIFICATION FOR THESE GOODS.

WASHINGTON, D. C., *December 1, 1908.*

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: The undersigned represent domestic manufacturers of upholstery fabrics of various kinds, including furniture coverings, hangings, curtains, couch covers, table covers, etc.

Condition of the industry.

This is an industry which if allowed a reasonable protection would easily employ over 10,000 hands.

Until 1903 imported cotton upholstery goods paid a duty of 45 per cent ad valorem under paragraph 322 of the present tariff act

as manufactures of cotton. The importers contested this classification and claimed that such goods were dutiable according to the number of threads per square inch, weight, and value, as provided in paragraphs 304 and 309, known as the countable cotton clauses. In this claim they prevailed (G. A., 5319—T. D., 24352, and decisions therein cited), since which time these goods have entered the commerce of this country on the same basis as ordinary colored cotton fabrics.

The upholstery fabrics are essentially different from ordinary cotton cloths and were not in the contemplation of Congress in drafting the countable cotton clauses is evidenced by the goods themselves, which require the attendance of an operator at every single loom, whereas in weaving the ordinary cotton cloth one operator attends as many as 24 looms.

The effect of this ruling of the courts is that the highest duty imposed on these goods is 40 per cent ad valorem and the lowest 30 per cent ad valorem. The domestic industry is demoralized, thousands of hands being deprived of employment, and considerable capital wasted.

The largest manufacturing concern in this line was Hoyle, Harrison & Kay, of Philadelphia, who operated over 300 looms and employed 1,000 persons. They have been obliged to discontinue their operations.

Within the present year the Oldham Mills, of Philadelphia, operating 150 looms, chiefly on the finer grades of goods, have closed for the same reason. This fine plant, less than ten years old, is for sale, so far without a purchaser.

The Whitbridge Mills, of Philadelphia, have stopped making upholstery fabrics.

The Matred Mills, of Philadelphia, manufacturers of medium and cheap goods, about a year ago discontinued.

We can enumerate many smaller concerns that have quit the manufacturing business, some having kept on to the point of bankruptcy.

That these conditions are not attributable to business depression is clearly shown by a steady growth in importations of these goods.

There are in Philadelphia to-day 3,300 looms for the weaving of upholstery fabrics. Since 1903 not more than 1,100 have been producing their usual capacity.

Cost of labor and materials.

Reference to the official statistics in point will show that wages in this country in this industry are three times as great as abroad.

The American manufacturer does not spin the yarn he uses, for the reason that he employs too wide a variety of yarns, upon which there is a protective duty as high or nearly as high as on the finished product.

The business is one of ever changing style, and the manufacturers are obliged twice each year to prepare new patterns. Sketches, designs, jacquard cards, and the making of new samples all form heavy items of expense here over what they cost abroad, where the industry is an old one and very generally distributed.

These facts are well brought out by an examination with respect to an average specimen of upholstery fabric submitted, marked "Ex-

hibit A." This particular fabric represents a large part of the kind of upholstery goods imported. It is pattern No. 3952, from Defrennes Duplony Freres, of Roubaix, France. Under the decisions of the courts before referred to, it is now admitted at 40 per cent ad valorem, under paragraph 307. Statement follows:

100 meters, at 3.10 francs, less 10 and 2 per cent, make 273.40 francs—	
market value equals	\$53. 61
Duty at 40 per cent, ad valorem	21. 20
Freight	2. 43
Foreign charges and insurance	1. 22
Custom-house charges	1. 50
Landed cost 100 meters	79. 96

One hundred meters equals 109½ yards. Landed cost per yard 73½ cents.

The cost at the mills of a like fabric produced here in the United States would be 81½ cents per yard.

Foreign protection.

The American manufacturer of these goods has no export business to sustain it. He finds in every continental country of any importance as an impassable tariff wall. Germany may be selected as an example. (See Kelly's Customs Tariffs of the World, edition of 1908.) In Belgium, where these goods can be manufactured very cheaply, the producers find it impossible to export to France, on account of the prohibitive French duties thereon.

Since the continental countries have seen fit to protect this industry in their own territory by the imposition of prohibitive duties, no sound reason can be urged why Congress should not profit by their example and save the business from its present stagnation.

Proposed provision.

Paragraph 316 of the Dingley Act reads:

Curtains, table covers, and all articles manufactured of cotton chenille or of which cotton chenille is the component material of chief value, fifty per centum ad valorem.

This paragraph was enacted originally in 1890, a time when chenille was largely employed in upholstery. Since that period chenille has practically disappeared from the industry. It has been replaced by these cotton tapestries, upon which we ask the same measure of protection. We propose the following to replace the present paragraph:

Curtains, table covers, couch covers, cushion covers and tops, window, door, and wall hangings or draperies, portieres, tapestry panels and borders, lambrequins, fabrics and tapestries for furniture covering, hangings, and decorative purposes, and all textile upholstery fabrics, in the piece or otherwise, manufactured of cotton or other vegetable fiber, or of cotton chenille, or of which cotton or other vegetable fiber or cotton chenille is the component material of chief value, fifty per centum ad valorem.

This provision, if enacted, would do no more than allow a fair basis of competition between the domestic and the foreign manufacturer. It would benefit the consumer by allowing the domestic mills to compete with the imported fabrics. It would enlarge the revenues of the Government, since it would not prevent importation

and would yield duties upon a luxurious article in some fair ratio to its value. Many of these goods are novelties, made possible by improvements in the art of weaving since the present tariff was enacted. It was never contemplated that fabrics of their intricate character, simulating closely as they do the hand work of earlier times, should be grouped with gingham, muslins, shirtings, and the like.

Our reasons for asking 50 per cent duty at this time are as follows:

First. It requires a duty of 50 per cent to cover importing cost.

Second. The hours of labor were reduced in 1905 from sixty to fifty-five hours per week without any reduction of wages, thereby increasing cost of production.

Third. Since 1897 wages have been greatly increased, in some cases as much as 25 per cent.

KAMMERLOHR & DUFFY,
New York.

(Appearing for the Orinoka Mills, Philadelphia; Stead & Miller Company, Philadelphia; Philadelphia Tapestry Company, Philadelphia; the Moss Rose Manufacturing Company, Philadelphia; Bromley Manufacturing Company, Philadelphia; Binder & Ellis Company, Philadelphia; Rosenheim Brothers, Philadelphia; J. W. Barber & Co., Philadelphia; Whitely & Collier, Philadelphia; George Brooks & Sons, Philadelphia; J. B. Ryer, Son & Co., Paterson, N. J.; Baldwin Manufacturing Company, Bank, Md.; A. Theodore Abbott & Co., Philadelphia; Thomas Davies, Philadelphia; Robert Lewis & Co., Frankford, Pa.; John Moore, Son & Co., Philadelphia; National Tapestry Company, Frankford, Pa.; Pennsylvania Tapestry Company, Glen Riddle, Pa.; R. J. & R. Ritchie Company, Frankford, Pa.; Thompson & Hallowell, Philadelphia; Herbert Newton, Philadelphia; and others.)

TOWELS.

[Paragraphs 305-309.]

**FRANK J. LEAKE, FOR CERTAIN MANUFACTURING CONCERNS,
ASKS THAT TOWELS BE CLASSED AS PILE FABRICS.**

WASHINGTON, D. C., *November 27, 1908.*

COMMITTEE ON WAYS AND MEANS,

Washington, D. C.

GENTLEMEN: We, the undersigned manufacturers of Turkish towels and towelings, find an ever-increasing difficulty in paying the wages demanded by the advanced state of art and at the same time meeting in competition the prices quoted on foreign goods of the same description. This has now reached a point where instead of weaving the higher class goods containing the large number of picks or weft threads (which represent time and labor) we are compelled to secure weight by crowding the reed with warp threads and reducing the picks or weft threads (labor) in a cloth, thus making a less firm and more spongy cloth, as illustrated by Exhibit A, a coarse, loose-woven fabric crowded in the reed to secure weight at expense of labor and firmness, and Exhibit B, a fine, closely woven firm fabric; likewise Exhibits C and D, showing the same relative treatment.

Many of the lines, particularly of the finer grades, we are unable to make because of the greatly added labor cost and the lower rates of duty now in vogue, occasioned by the recent rulings of the Board of General Appraisers. We submit that our fabrics are clearly "pile fabrics," and entitled to duty under the clauses Nos. 315 and 342, providing for pile fabrics, and not as now, under cotton cloth schedules 305, 306, 307, 308, 309, as countable cottons, as illustrated in Exhibit E, showing first a cloth exhibit in condition for the market, clearly with a face of uncut pile; likewise Exhibit F, ready for the market, a double-face pile fabric.

Exhibits G and H show these same cloths pulled out for counting by unraveling so that what was previously 1 square inch becomes 4 square inches or nearly its equivalent, clearly not an equitable way of arriving at a classification. We therefore petition that our fabrics be included and specified by name in the clause in the cotton schedule, I, affecting pile fabrics as follows:

No. 315, plushes, velvets, velveteens, corduroys, Turkish towels, Turkish terry cloth, and all pile fabrics, cut or uncut, in the piece or otherwise, any of the foregoing composed of cotton or other vegetable fiber, etc.

Flax schedule J, No. 342, could remain as it is, provided the understanding is the same as provided for in No. 315, Schedule I, that Turkish towels and Turkish terry cloth are classified as "pile fabrics."

Frank Leake, for Star and Crescent Company; P. J. Masterson, for Lafayette Mills Company; John W. Kershaw, for John W. Kershaw Co.; A. E. Margerison, for W. H. & A. E. Margerison & Co.; Michael J. Meehan, for Ward-Meehan Company; Louis H. Foster, for Louis H. Foster; Nelson Kershaw, for Nelson Kershaw.

**J. W. CANNON, CONCORD, N. C., URGES A DUTY HIGH ENOUGH TO
KEEP OUT FOREIGN-MADE TOWELS.**

CONCORD, N. C., *December 28, 1908.*

HON. S. E. PAYNE,

*Chairman Ways and Means Committee,
Washington, D. C.*

MY DEAR SIR: We have recently built at Kannapolis, N. C., one of the largest towel mills in this country for manufacturing towels, and we very much desire that the tariff on all foreign towels be made so that it will allow the American industry to expand and manufacture all the goods used in this line that are now imported; and with the tariff high enough to keep out the foreign goods it would aid the American manufacturers to bring up their goods to the highest state of perfection, and also expand the industry so that all these goods would be manufactured in the United States, thereby giving more work for the American operatives and also a greater demand for cotton that enters into the construction of these towels.

Most respectfully, yours,

J. W. CANNON, *President,*
Cannon Manufacturing Company, Concord, N. C.; Can-
non Manufacturing Company, Kannapolis, N. C.,
towels, sheetings, the celebrated Cannon cloth; Gibson

Manufacturing Company, Concord, N. C., madras, blankets, etc.; Cabarrus Cotton Mills, Concord, N. C., brown sheetings and domets; Franklin Cotton Mills, Concord, N. C., weaving yarns; Patterson Manufacturing Co., China Grove, N. C.; Patterson Manufacturing Co., Kannapolis, N. C., brown sheetings and crashes; Kesler Manufacturing Company, Salisbury, N. C., brown sheetings and crashes; Wiscassett Mills Company, Albemarle, N. C., hosiery yarns and weaving yarns and hosiery; Efrid Manufacturing Company, Albemarle, N. C., hosiery yarns and sewing twines; Tuscarora Cotton Mills, Mount Pleasant, N. C., hosiery yarns.

TRACING CLOTH.

[Paragraph 311.]

THE REGINA MANUFACTURING COMPANY, EAST GREENWICH, R. I., ASKS AN INCREASE OF DUTY ON TRACING CLOTH.

EAST GREENWICH, R. I., *November 30, 1908.*

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: We respectfully submit for the consideration of your honorable committee for tariff revision:

First. The manufacture of tracing cloth used by draftsmen, architects, and engineers for the making or drawing of plans for buildings, machinery, construction work, etc., sample of product being hereunto attached.

Second. The schedule and paragraph of the present tariff law under which this product is now classed is Schedule I, paragraph 311, "Cotton cloth, filled or coated," duty thereon being 20 per cent ad valorem and 3 cents per square yard specific.

Third. We desire this duty changed so as to retain the present ad valorem duty of 20 per cent and increase the specific duty from 3 cents to 5 cents per square yard. Possibly tracing cloth should be differentiated from the general head it now comes in under, "Cotton cloth, filled or coated," as its manufacture in the United States is a new industry here.

Fourth. Reasons for asking the above revision are that our product is a new manufacture in this country and we are the only manufacturers of tracing cloth in the United States. Many years of time and a large sum of money have been spent in experimental work to accomplish the manufacture of this product here, it being a secret process, the successful knowledge of which has heretofore been confined to Europe, and only within the past two years have we fully succeeded. We have during the present year completed the equipment of a new factory at large expense.

Fifth. Our sole and only competitors are European manufacturers.

Sixth. The average wages paid our labor are fully double or 100 per cent more than those paid in England, and we would conserva-

tively estimate that it costs us 50 per cent more to produce the article in entirety here than it does in England.

Seventh. Revision is asked to enable our infant industry in this country to be in only a fair position to compete with and not exclude foreign manufacturers for the trade in tracing cloth in the United States, without in any way working a hardship or injury through increased cost to the dealer or consumer, as our price to them will not exceed what they now pay for the popular English make. As a matter of fact a larger percentage of profit is now and will continue to be realized by the dealer selling our product than is made on the popular English article, possibly excepting the importers of such English make, who are restricted in number to a very few in comparison with the entire number of dealers, and it is said that such importers are precluded by contract from handling or dealing in any other make, seemingly to be a combination of a very few that tends to restriction of trade. It would seem that if our industry was protected it will in all probability eliminate such condition of restriction as has existed, and work a benefit to a vast majority of dealers and to all consumers. Without the protection asked for to place us on an equal basis of cost of producing with the foreign manufacturers we will be obliged to discontinue the industry in this country, thus wasting and losing the many years of experimental work and large money expenditure that we have devoted to perfecting and establishing this new industry in the United States, and the United States will again be dependent solely on Europe for its tracing cloth.

Eighth. Under the original tariff of 40 per cent the English product sold in this country for a much less price than it now does under the present so-called Dingley tariff, which is a reduction on the original, because at the time of passing the Dingley tariff there was no tracing cloth manufactured in the United States.

Respectfully submitted.

REGINA MANUFACTURING COMPANY,
By E. A. PALMER, *President*.

COTTON HANDKERCHIEFS.

[Paragraph 312.]

AMERICAN MANUFACTURERS OF COTTON AND LINEN HANDKERCHIEFS URGE RETENTION OF PRESENT DUTY.

NEW YORK CITY, *December 4, 1908.*

WAYS AND MEANS COMMITTEE,
House of Representatives:

The undersigned are manufacturers in the United States of handkerchiefs made from cotton and linen and are interested in sections 312, 339, 345, and 346 of the tariff act of 1897. Under the rates of duty imposed by these various sections the industry has flourished. They are the consumers of cotton and linen, laces and embroideries, which go to make up the various grades of handkerchiefs manufactured here. Not only has the industry grown during the last eleven years, but the article turned out has been cheapened to the ultimate

consumer, the product itself been bettered, and a great army of men and women have had employment at good wages.

As to section 312.—Under this section unmanufactured cotton handkerchiefs pay a specific duty no less than 45 per cent ad valorem, being the same rate as the piece goods, and when hemstitched or otherwise improved there is a differential of 10 per cent, and a further differential of 15 per cent when initialed, embroidered, or trimmed. It is absolutely essential to the life of the industry in this country that this differential be maintained. Any change which should not provide the 10 and 15 per cent increase in the manufactured article over the piece goods would bring American labor in this line in direct competition with the labor, for instance, at St. Gall, Switzerland. The difference in labor cost here and there is about 125 per cent, and to take off or modify this paragraph without retaining the correlative differential, as here indicated, will mean a sacrifice of the women who are working in this trade.

As to section 339.—This is the general section covering laces and embroideries and, among other things, handkerchiefs, and from this section the Government has derived an enormous revenue; under this, more than any other section of the tariff act, is shown the tremendous strides that the whole industry has taken. In 1898 the importations amounted to \$10,803,430.15, the Government receiving as duty \$6,482,058.10. In 1907 there was imported \$39,737,840.88, on which the duty amounted to \$23,842,704.53. It is under this section that the great volume of handkerchiefs are scheduled and would come in, especially the higher grade articles, which, of course, are the higher priced. Compared with the handkerchief that would go to the average consumer, the high-grade linen, embroidered, or lace handkerchief may be denominated a luxury.

It is of the utmost importance to the domestic manufacturer that the 60 per cent duty on this class of goods be kept as it is, as it allows a constant and increasing effort to refine the grade of the domestic manufacturer and to allow him to improve his product. It brings into the market what may be termed the artistic side as to the matter of style and design, and makes a standard for the American manufacturer toward which he is constantly striving.

As to sections 345 and 346.—The section 345 provides that linen handkerchiefs in the piece shall pay 50 per cent ad valorem; if hemstitched, or imitation hemstitched, they shall pay 55 per cent. The differential of 5 per cent is a labor item covering the cost of preparing these handkerchiefs for the consumer. Under section 346 practically all cloths used by the manufacturers of linen handkerchiefs, collars and cuffs and shirts pay a duty of 35 per cent; the difference between 35 per cent and 55 per cent, as paid on the hemstitched handkerchiefs, representing the actual difference between the price paid for labor in the United States and foreign countries.

This industry has made important progress under this protection, as is shown by the importation of linen piece goods paying this rate of duty. In 1898 the importations amounted to \$2,157,344, and by 1907 they had increased to \$9,231,559. Practically all of this cloth was for the manufacture of collars, cuffs, shirts, and handkerchiefs. At the same time the importation of the finer grades of hemstitched handkerchiefs paying a rate of duty of 55 per cent under section 345

had increased as follows: 1898, \$569,212; 1907, \$1,001,161. Under the Wilson tariff the importations in the year 1895 or 1896 were about \$1,000,000, bringing the Government a revenue of about \$400,000 on a 40 per cent basis, as against a revenue of \$550,639 in 1907 on a 55 per cent basis.

We think that these figures will prove that in protecting this industry the revenue of the Government has not suffered in any way, but in fact has been greatly increased by the duties collected on linen piece goods under section 346.

It will be seen that these two sections go hand in hand—the raw-linen piece goods and hemstitched handkerchiefs—and it is urged that any change in one section should have a corresponding change in the other.

It is suggested that the ad valorem duty of 35 per cent on linen piece goods under section 346 be not increased, for the reason that there is at present a large demand for handkerchiefs, collars, cuffs, and shirts made of these goods at popular prices, which would be greatly reduced if the prices had to be increased, resulting in a decrease of the importation of linen and a consequent loss of revenue to the Government.

Representing the general feeling in the domestic manufacturing handkerchief trade, your petitioners respectfully submit that it is to the best interest of the Government, the people employed in the trade, and the manufacturer, that these sections be retained in their present form.

Respectfully submitted.

The Acheson Harden Co., James Harden, president; The International Manufacturing Co.; John Glendenning & Co.; Newark Embroidery Works, H. Bowerman; Herrmann, Aukam & Co., Milton C. Herrmann, president; Hessel Raines Co., S. E. Raines; Standard Handkerchief Co., B. C. Robbins, president; H. Rosenthal & Co., Harry Rosenthal, president.

COTTON CORSETS.

[Paragraph 314.]

JOSEPH BECKEL & CO., NEW YORK CITY, THINK THE PRESENT DUTY ON CORSETS IS PROHIBITIVE.

NEW YORK, *November 25, 1908.*

WAYS AND MEANS COMMITTEE,

Washington, D. C.

GENTLEMEN: In reference to tariff on corsets, we are both importers and manufacturers and are aware that a committee representing the corset association will appear before you.

It is our opinion that the corset industry since the passage of the present tariff have found sufficient machinery to enable them to pro-

duce the goods at a much lower rate, while the laboring class has benefited but little as regards wages, etc.; furthermore, all the large houses have been very successful and amassed quite a fortune. The entire importation is a very small amount compared with former years and is constantly growing less, due to a prohibitive tariff. The importation of cheaper goods has entirely disappeared, and in finer goods the American manufacturers have made great headway. We feel that a duty of 40 per cent would more than protect home productions.

Yours, truly,

Jos. BECKEL & Co.

THE CORSET MANUFACTURERS' ASSOCIATION OF THE UNITED STATES ASKS ADEQUATE PROTECTION.

WASHINGTON, D. C., *December 1, 1908.*

COMMITTEE ON WAYS AND MEANS,

Washington, D. C.

GENTLEMEN: We beg to submit to you on behalf of the Corset Manufacturers' Association of the United States, an association having among its members all the large corset manufacturers of the country, the fact that corsets should be properly and adequately protected.

There is absolutely no trust or combination among corset manufacturers and the freest competition prevails.

There is from \$12,000,000 to \$15,000,000 invested in this industry in the United States, and the production is about \$25,000,000 per year, and there are about 25,000 people employed in the manufacture of these goods.

The wages paid for labor entering into the manufacture of corsets or corset materials abroad are seldom more than one-third of the price of labor paid here and never as much as one-half, and as the value of the labor on the corset is about 50 per cent of the cost and materials about the same you will readily understand that the point where protection begins at the present time and where it ends is a very fine one, and the corset manufacturers feel that corsets should be adequately protected in view of the fact that materials are so largely taxed, and the labor paid in foreign countries being such a very small percentage of what is paid to the same class of operatives in this country the duty should remain as now; but if the rate of duty on imported materials entering into corsets should be reduced a corresponding reduction could be made in the rate of duty on the finished article. There are certain materials entering into the manufacture of fine corsets (which at the present time come into closest competition with the foreign makers), such as yarn-dyed and yarn-bleached cloths, laces and embroideries, fine silk materials, etc., most of which are not made in this country at all, and when made in this country are made at a price just under the price of imported materials.

We therefore present the following schedule of duties on materials and the difference in the rates of wages, maintaining that no smaller rate of duty on corsets would give any protection to American labor or to American corset manufacturers.

The following are the rates of duty on the principal corset materials:

Cotton cloth, 35 to 40 per cent; silk corset materials, 50 to 60 per cent; wool cloths, 60 to 100 per cent; thread, 40 to 100 per cent; corset clasps, 45 per cent; corset wire, 45 per cent; corset wire stays, 45 per cent; corset lace, 60 per cent; corset edgings and embroideries 60 per cent; corset lacers, 60 to 75 per cent; silk ribbons, 50 per cent.

SKILLED AMERICAN WORKMEN IN CORSET FACTORIES.

Skilled male cutters earn from \$12 to \$21 per week; skilled sewing-machine operators, from \$7 to \$13.50 per week; skilled hand operators, from \$6 to \$12 per week; skilled examiners, from \$6 to \$12 per week; skilled overseers (female), from \$9 to \$25 per week; skilled overseers (male), from \$15 to \$40 per week; skilled designers, from \$25 to \$100 per week; skilled boners, from \$6 to \$10 per week; skilled corset pressers, from \$12 to \$21 per week.

WAGES PAID IN FOREIGN COUNTRIES.

England.

Wages paid in corset factories in Portsmouth, England, show: Cutters, \$3.50 to \$8.50 per week; sewing-machine operators, \$1.50 to \$3.50 per week; hand operators, \$1 to \$2.50 per week; examiners, \$1 to \$2.50 per week; overseers (female), \$2 to \$6 per week; shippers, packers, etc., \$3 to \$6 per week.

Further English prices show: Cutters, 20 shillings per week; stitchers, 8 to 16 shillings per week; boners, 8 shillings per week; pressers, 12 shillings per week; trimmers, 7 to 8 shillings per week.

Similar rates of wages apply to the manufacture of the component parts of corsets.

Germany.

Four of the largest corset manufacturers in Germany report average wages of experienced operators about 3 marks 50 (84 cents) per day, or about \$5 per week, and the average throughout the factory is about 2 marks 10 (50 cents), or about \$3 per week. Heads of departments 4 to 6 marks, or about \$6 to \$9 per week.

The report from Saxony, where a large number of corsets are manufactured, shows that wages are a trifle lower than they are in the centers just noted.

Further information shows that in Germany German corset industries pay about 62 cents per day for a day of twelve to fourteen hours.

In Constatt experienced stitching operators (female) earn from 8 to 12 marks per week, or \$2 to \$3; experienced cutters (men), 15 to 20 marks per week, or \$3.75 to \$5; first-class designers, 30 to 40 marks per week, or \$6.50 to \$10.

Corset manufacturers having their factories in small towns and who make cheap goods pay from 20 to 33 per cent less than prices quoted.

Belgium.

Reports from Brussels state that operatives earn from 2 to 5 francs per day; country districts, from 1½ to 2½ francs; cutters, from 5 to 7 francs.

Respectfully submitted.

American Lady Corset Company, Detroit, Mich.; Artists' Model Corset Company, Cleveland, Ohio; Aurora Corset Company, Aurora, Ill.; George C. Batcheller & Co., Bridgeport, Conn.; Bay State Corset Company, Springfield, Mass.; Joseph Beckel & Co., Brooklyn, N. Y.; Benjamin & Johnes, Newark, N. J.; Birdsey, Somers Company, Bridgeport, Conn.; Brewster Corset Company, Derby, Conn.; H Corset Company, Worcester, Mass.; Crown Corset Company, Bridgeport, Conn.; Downer, Hawes & Co., Bridgeport, Conn.; Empire Corset Company, McGraw, N. Y.; Ferris Bros. Company, Newark, N. J.; Gage-Downs Company, Chicago, Ill.; H. & W. Company, Newark, N. J.; E. H. Horwood & Co., New York, N. Y.; Jackson Corset Company, Jackson, Mich.; Kabo Corset Company, Chicago, Ill.; Kalamazoo Corset Company, Kalamazoo, Mich.; Kops Bros., New York City, N. Y.; Lay & Way Company, New York City, N. Y.; Linehan Corset Company, Worcester, Mass.; Massachusetts Corset Company, Worcester, Mass.; A. P. McGraw Corset Company, McGraw, N. Y.; I. Newman & Sons, New Haven, Conn.; Olmstead-Quaboag Corset Company, West Brookfield, Mass.; R. & G. Corset Company, South Norwalk, Conn.; Royal Worcester Corset Company, Worcester, Mass.; The Sahlin Company, Chicago, Ill.; The Spirella Company, Meadville, Pa.; Strouse, Adler & Co., New Haven, Conn.; I. Strouse & Co., New Haven, Conn.; Van Orden Corset Company, Newark, N. J.; Warner Bros. Company, Bridgeport, Conn.; E. J. Weeks Company, Jackson, Mich.; Weingarten Bros., Newark, N. J.

JOSEPH BECKEL & CO., NEW YORK CITY, TAKE EXCEPTION TO BRIEF OF CORSET MANUFACTURERS' ASSOCIATION.

NEW YORK, *December 12, 1908.*

WAYS AND MEANS COMMITTEE,

Washington, D. C.

GENTLEMEN: We are in possession of a duplicate copy submitted to you by the Corset Manufacturers' Association of the United States. While we are a member of this association, we regret to say that we do not approve of the petition submitted to you.

In the first place, we are not fully acquainted with the wages of European labor in the manufacture of corsets or corset materials. We are also satisfied that the petitioners are unable to get figures

from Brussels, as we are the American agent of the largest firm there, and they would even refuse to give us their figures of labor, unless we especially requested it for this certain purpose.

The wages paid for labor in Europe is certainly over one-third of the amount paid here—in many instances over one-half. As we stated to your honorable body before, the machinery which is used in the production of corsets in this country has materially reduced the price of labor, while abroad the work is principally done by hand.

The following are the rates of duty on the principal corset materials: There are some cotton cloths imported, but the proportion to domestic goods is a very small percentage. This also applies to silk corset materials.

Wool cloths are absolutely not imported and have not been under the present tariff.

Thread used in the manufacture of corsets is entirely domestic.

Corset-clasp importation can not be over 1 per cent of the product used in this country.

Corset wire is absolutely not imported.

Corset-wire stays, no importation.

Corset edging and embroideries are all imported.

Corset lacers, importation would not amount to 1 per cent of the quantity used at the present time.

Silk ribbons also are a small percentage.

SKILLED AMERICAN WORKMEN IN CORSET FACTORIES.

There are very few machine operators who earn over \$10 per week, principally below this amount.

Skilled hand operators the same.

Skilled overseers (female), very few, if any, are paid \$25 per week.

Skilled overseers (male), very few, \$40 per week.

There are very few skilled designers, there may be a few, who earn a trifle over \$25 per week.

In reference to English prices of manufacture, one of your petitioners, Weingarten Brothers, are now employed in England, and would probably be able to give you a fair idea of the labor paid in that country.

In reference to Saxony, where a large number of corsets are manufactured, these goods are so poorly made that there is absolutely none imported into this country, and even though the tariff was much lower, it could not be done. This also applies to Constatt.

Reports from Brussels from a conversation with our manufacturers, the report as to wages, are absolutely not true, the same being much higher.

In conclusion we wish to state that some of the manufacturers in this country also pay very small wages, as goods are sold as low as \$2.50 per dozen. Even this year when we are suffering from the effects of a panic every corset manufacturer of prominence has made some money, and doubt if any of them have lost any. This is in addition to their personal living, and some of them require a great many wants for this purpose.

Yours, very respectfully,

Jos. BECKEL & Co.

LADIES' COTTON GLOVES.

[Paragraph 314.]

AMERICAN MANUFACTURERS SUBMIT COMPARISONS OF FOREIGN AND DOMESTIC COSTS IN THE MANUFACTURE OF LISLE AND OTHER COTTON GLOVES.

WASHINGTON, D. C., *December 10, 1908.*

HON. SERENO E. PAYNE,

*Chairman Ways and Means Committee,**Washington, D. C.*

DEAR SIR: Comparative cost of ladies' cotton gloves sold at wholesale at \$1.50 to \$1.75 per dozen pairs, made of No. 80 combed yarn, weighing 8 ounces per dozen pairs:

	Germany.	United States.
Yarn.....	\$0.28	\$0.40
Other material.....	.15	.25
Wages.....	.25	.95
Mill expenses.....	.12	.15
	.80	1.75

Difference in cost.....	Cents. 95
Duty collected.....	40

Comparative cost of a lady's lisle glove, sold at wholesale at about \$2.50 to \$2.75 per dozen pairs, made out of 160/2 lisle yarn, weighing about 10 ounces per dozen pairs:

	Germany.	United States.
Yarn.....	\$0.60	\$0.90
Other material.....	.20	.30
Wages.....	.35	1.35
Mill expenses.....	.20	.25
	1.35	2.70

Difference in cost.....	\$1.35
Duty collected.....	.68

Cotton gloves are now classed as cotton wearing apparel, and are assessed under paragraph 314 of the Dingley Act.

Inasmuch as the present rate of 50 per cent ad valorem is absolutely inadequate, and inasmuch as the law about to be framed is supposed to protect American industries to the extent of the difference between the American and the foreign cost (to say nothing of a margin of profit), we respectfully ask that your committee fix a rate of duty on cotton gloves that will make it possible for us to get at least a share of the American trade, and that will put us on a competitive basis with the European mills, who are now monopolizing this particular industry. With this end in view, we would suggest that cotton gloves be taken out of their present classification and made dutiable under a new paragraph, to read as follows:

Gloves and mittens, including those commercially known as "fabric gloves," composed of cotton or other vegetable fiber, finished or unfinished, valued at

not more than one dollar per dozen pairs, eighty cents per dozen pairs; valued at more than one dollar and not more than one dollar and fifty cents per dozen pairs, one dollar per dozen pairs; valued at more than one dollar and fifty cents per dozen pairs and not more than two dollars per dozen pairs, one dollar and fifty cents per dozen pairs; valued at more than two dollars per dozen pairs and not more than three dollars per dozen pairs, two dollars per dozen pairs; valued at more than three dollars per dozen pairs, eighty per centum ad valorem.

The above to be the minimum rates, and the maximum rate to be 20 per cent ad valorem in addition to all the foregoing.

Most respectfully submitted.

NIAGARA SILK MILLS,
By J. S. SHANAHAN, *President*,
North Tonawanda, N. Y.

CLARK TEXTILE Co.,
By J. H. CLARK, *President*,
Saratoga, N. Y.

THE GLOVERSVILLE SILK MILLS,
By ALBERT M. BANKER, *President*,
Gloversville, N. Y.

VELVETS, VELVETEENS. AND CORDUROYS.

[Paragraph 315.]

WELLINGTON, SEARS & CO., BOSTON, URGE THAT THERE BE NO REDUCTION OF DUTY ON PILE FABRICS.

BOSTON, *December 3, 1908.*

To the CHAIRMAN WAYS AND MEANS COMMITTEE,
Washington, D. C.

DEAR SIR: Presuming that there will be some further consideration of the cotton schedule, we take the liberty of giving you a few facts in regard to velveteens and corduroys, hoping that in any report which is made there will be no reduction in the tariff recommended on these fabrics.

It is only within a few years that the manufacture of velveteens has been started in this country, they previously having been made principally in England and France. These goods, as you know, are first woven on specially equipped looms; the races are then cut by hand, an operative being able to cut 150 yards race cut in one week, or 300 yards slip cut in one week, this work being done by female operatives from 14 to 20 years of age. The cutting of a lump (150 yards) of slip-cut velveteens can be done for 12s. (\$3) in England, whereas the same work in this country costs more than double this price. The cutting of a lump of race-cut velveteens could be done for \$5 in England, and in this country it also costs double this price. After the goods are cut they pass through various stages of brushing, singeing, and dyeing before they are ready for market, the great item of cost in these processes also being labor, and although the operatives are paid well in this country we are competing in cutting velveteens with almost the cheapest labor in Europe.

The above facts will also apply to corduroys, except that on account of the goods being coarser and heavier it is possible to cut

them by machinery, which is being done in this country. But here, again, labor is the principal item, the goods passing through from 20 to 25 processes in the finishing alone, and the labor in the finishing plants in this country is paid just about double the wages paid in the finishing plants in England.

If in the consideration of this matter you would like any further facts or figures, we should be most happy to furnish them.

Yours, very truly,

WELLINGTON, SEARS & Co.

**THE COCHECO MANUFACTURING COMPANY, BOSTON, THINKS
PRESENT DUTY ON COTTON VELVETEENS NECESSARY.**

BOSTON, *December 3, 1908.*

CHAIRMAN COMMITTEE ON WAYS AND MEANS,

Washington, D. C.

DEAR SIR: Understanding that on December 4 there is to be a hearing on the subject of duties on cotton velveteens, I beg to say in behalf of the Cochecho Manufacturing Company, of Dover, N. H., that this is an industry only recently started in this country, and has not as yet been sufficiently developed to enable it to compete with foreign manufacturers if the duties on this class of goods should be reduced. In the cost of manufacturing in this country I think labor probably represents approximately 75 per cent of the total cost, and so far it has not been fully demonstrated that the present duty enables us to more than meet foreign competition.

Should you so desire, I can furnish figures to show this, and prove that it would work a serious hardship on this really infant industry to reduce this present schedule.

Yours, truly,

H. DE F. LOCKWOOD, *Treasurer.*

**THE NEW YORK MILLS STATE THAT THE CORDUROY AND VELVET
INDUSTRY ABSOLUTELY NEEDS PROTECTION.**

NEW YORK CITY, *December 1, 1908.*

COMMITTEE ON WAYS AND MEANS,

Washington, D. C.

GENTLEMEN: We desire to submit the following information to aid the committee in a revision of the tariff. We are interested in protection on certain lines as set out below, but we believe that a reasonable reduction of tariffs on the ordinary yarns and cloths, such as we make, would not materially injure the business.

Any reduction of the tariff on corduroys would be disastrous on account of the great amount of labor involved in the manufacture of this cloth as compared with other cotton products.

We make three products—hosiery yarn, ordinary cotton cloth, and corduroy cloth. The cost of ordinary hosiery yarn is made up of—

	Per cent.
Cotton.....	67
Labor.....	15
All other expenses.....	18

This is for high-grade hosiery yarns. The gray cloth that we manufacture is made up of—

	Per cent.
Cotton-----	60
Labor-----	20
Other expenses-----	20

Corduroy is made up of—

	Per cent.
Cotton-----	25
Labor-----	40
Other expenses-----	35

The rate of wages paid in Europe is about one-half less than in the United States and the skill of the foreign operator on this class of goods is much greater than here, on account of the manufacture of corduroy containing so much hand work.

The corduroy and velvet industry in this country is practically in its infancy, not being over 20 years old. It requires great skill on the part of the operators, and we have not as yet commenced to reach the point of production that our foreign competitors have.

Some of the prices paid in Europe are as follows:

In a cotton mill a card-room hand receives \$5 a week; in this country \$8 a week, which is 37 per cent less in Europe than here.

A spinning-room operative receives in Europe not over \$4 a week; in this country it averages about \$7 a week, a difference of 43 per cent less in Europe.

Weaving.—In Europe a weaver receives about \$5.50 a week, while in this country an operator will average about \$9.50. The European scale is about 52 per cent less.

Finishing operations.—On corduroy a cutter in Europe receives about \$4 a week; in this country he will average about \$9 a week, being 35 per cent less in Europe.

Jig men in Europe receive not over \$5 a week; in this country, \$7.50 a week; 35 per cent less in Europe.

The crossing machines in this country are tended by boys, whose pay in Europe is \$2 a week; in this country, \$4.50, being 55 per cent less wage in Europe.

In the dressing and singeing rooms, the pay in Europe is \$4.50 a week; in this country, \$7 a week, being 36 per cent less in Europe.

In a finishing room in Europe the pay is \$5 a week, while in this country it is from \$7.50 to \$9 a week, a difference of 35 per cent less in Europe.

Our best information is that in all departments in the manufacture of corduroys, with the exception of the weaving, European labor will accomplish more work in a week than our hands. In the weaving department this is reversed in this country, as our weaving machines are superior to the English and the operator runs more looms.

The wages taken above for comparison with the American wages are taken from the English districts, where they pay a higher wage than they do on the Continent. However, the skill of the English operator is greater than on the Continent.

Our profits on the corduroy business since we started, some ten years ago, has shown from 5 to 7½ per cent, which is not a sufficient profit for the capital invested and the manufacturing risk taken.

The difficulties of the business are largely due to the great risk taken in turning out corduroy cloth with the class of help that we

have, as we have to teach all our hands this business and it takes years for them to become proficient in some of the branches.

Fine yarns.—We believe as a general proposition that the tariff on fine yarns and cloth woven from fine yarns should not be touched, as the manufacture of these involves a large portion of labor.

Any reduction of the schedule of corduroys as it at present exists would be disastrous to the corduroy business in this country.

THE NEW YORK MILLS,
J. P. CAMPBELL, *Assistant Treasurer.*

HOSIERY AND UNDERWEAR.

[Paragraphs 317, 318, and 319.]

THE AMERICAN HOSIERY COMPANY, NEW BRITAIN, CONN., SUGGESTS NEW CLASSIFICATIONS AND RATES.

NEW BRITAIN, CONN., *December 1, 1908.*

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: During the entire history of the company since its organization in 1868 it has been our desire to make everything in the higher grades of knit goods, and our aim to make everything the best of its kind.

No effort or expense has been allowed to stand in the way of the attainment of the company's ideal, which is to make our products unsurpassed by any in the world, as to the careful selection of materials, painstaking workmanship on the most highly developed and costly machinery.

We confidently claim that the words "No better in the world" on our registered trade-mark stand for a fact, that our goods are unsurpassed in appearance and wearing qualities by those made in any other country, and that they are suited to the wants of those whose clothing is of the highest class.

Previous to the advent of this company, the finest grades of knit goods had been imported from Europe, and the company met at the outset the well-known prejudice against American-made articles on the part of wealthy people, who use goods of the highest grade exclusively. The same feeling exists to-day to a certain extent, and it makes the marketing of the product of the company especially difficult, even with the assistance of the present tariff; and we contend that the schedules should be so arranged as to make it possible to fully compete with finest goods made in foreign countries, and thus take the place of such goods which are so largely imported now.

All of the cotton stockings, hose, and half-hose manufactured by this company are what are called in the trade "full-fashioned goods," in which the shape, or fashioning, is formed during the knitting process by the transference of stitches in narrowing or widening the article during the knitting.

The materials used are the finest grades of cotton, lisle thread, and mercerized yarns.

The machinery necessary is very costly, and it requires a large expenditure of money to establish a plant.

This knitting machinery also requires that the operator, or knitter, should be a very skillful man, who is a good mechanic, with years of training as a knitter.

The production of full-fashioned hosiery, especially in the light weights and fine gauges, which we manufacture exclusively, is necessarily slow, and the item of labor in knitting, seaming, dyeing, and finishing is a large proportion of the cost of the finished goods, while the expense for superintendence and supervision is very much more than for the cheaper and ordinary goods, which can be produced on less expensive machinery, with ordinary labor, and in very much larger quantities.

In order that the finer grades of full-fashioned hosiery should have adequate protection, it is our opinion, based upon an experience of forty years in the manufacture and sale of these goods, that section 318 of Schedule I of the Dingley tariff should read as follows:

SCHEDULE I—Manufacturers of cotton, section 318.—Stockings, hose and half hose, selvedged, fashioned, narrowed, or shaped wholly or in part by knitting machines or frames, or knit by hand, including such as are commercially known as seamless stockings, hose, or half hose, all of the above composed of cotton or other vegetable fibers, finished or unfinished:

Value per dozen.	Specific duty per dozen.	Ad valorem in addition
		<i>Per cent.</i>
Less than \$1.....	0.70	15
\$1 to \$1.50.....	.85	15
\$1.50 to \$2.....	1.20	15
\$2 to \$3.....	1.65	15
\$3 to \$5.....	2.75	15
\$5 up.....		65

The foregoing figures should represent the minimum rate of duty in case a maximum and a minimum rate should be contemplated.

Our reasons for recommending these figures are as follows:

First. We believe that the same "general principle of protection" for American industries and American labor which has brought unparalleled prosperity to the American people should be continued.

Second. This "general principle" we understand to be that protective duties should enable the manufacturer of the United States to successfully meet the competition of European countries, where very low wages and inferior standards of living prevail.

Third. The protective duty should be sufficient to cover contingencies, which often arise in connection with seasons of business depression abroad, and provide against the close competition of foreign countries, and also against the low-priced but efficient labor of the Orient, which will without doubt become an important factor in the near future.

KNIT UNDERWEAR.

The statements which we made in connection with paragraph 318 apply with added force to knit underwear.

All of the cotton shirts, drawers, pants, vests, combination suits, etc., made by this company are fine, high-grade goods, made from the finest cotton, lisle thread, and mercerized yarns, and a very large proportion of them are the so-called "full-fashioned" goods, in which the shape is imparted to the garments during the knitting process.

This fashioning, whereby is obtained the perfection in form of high-grade underwear, is a much slower process and more expensive method than the usual one of cutting the garments to the desired shape from circular cloth by means of shears.

Not only is the machinery for "fashioned goods" very costly, but it requires skilled men to operate it and expert mechanics to keep it in proper adjustment and good order. This machinery is of necessity run at a slow rate of speed, and the production is consequently limited.

After the knitting is completed, the subsequent processes of seaming (in which each individual loop or stitch must be taken up separately), stitching, applying facings, waistbands, and other trimmings in keeping with the quality and character of the fabric, all involve a large amount of labor, which in this country is entitled to receive much greater remuneration than is paid at the European centers of the knitting industry.

We are not disposed to advocate excessive duties on any class of manufactured goods, but the tariff on the articles included in paragraph 319 of Schedule I (manufactures of cotton) should be sufficient to cover the increased cost of labor over that of competing countries, which we now pay, and which we ought to pay, so as to enable the worker to maintain the American standard of living, which is higher than when the Dingley Act was passed in 1897, with the view of making in this country the higher grades which are now largely imported.

We are of the opinion that paragraph 319 should read as follows:

SCHEDULE I—*Paragraph 319.*—Shirts and drawers, pants, vests, union suits, combination suits, sweaters, corset covers, and all underwear of every description, made wholly or in part on knitting machines or frames, or knit by hand, finished or unfinished, not including stockings, hose, and half hose, composed of cotton or other vegetable fiber.

Value per dozen.	Specific duty per dozen.	Ad valorem in addition.
		<i>Per cent.</i>
Less than \$1.50.....	\$0.75	15
\$1.50 to \$3.....	1.70	15
\$3 to \$5.....	2.25	25
\$5 to \$7.....	2.50	35
\$7 to \$10.....	3.50	35
\$10 to \$15.....	4.00	35
\$15.....		60

The foregoing figures should be the minimum rate in case a minimum and maximum rate should be contemplated.

Respectfully submitted.

AMERICAN HOSIERY COMPANY,
EDWARD H. DAVISON, *President.*
GEORGE F. SALCOTT, *Treasurer.*

THE NATIONAL ASSOCIATION OF HOSIERY AND UNDERWEAR MANUFACTURERS ASKS FOR MORE DUTY ON COTTON HOSIERY.

PHILADELPHIA PA., November 30, 1908.

HON. SERENO E. PAYNE,

Chairman Ways and Means Committee.

SIR: The National Association of Hosiery and Underwear Manufacturers, an organization representing 75 per cent of American manufacturers of hosiery, through its tariff committee most respectfully begs to submit for your consideration the following facts and statistics to substantiate their claim for an increase in the present tariff rates on cotton hosiery.

We earnestly urge that Schedule I, section 318, of the tariff of 1897 be amended to read:

Stockings, hose, and half hose, selected, fashioned, narrowed, or shaped, wholly or in part by knitting machines or frames or knit by hand, including such as are commercially known as seamless stockings, hose, and half hose, and clocked and embroidered stockings, hose, or half hose, all of the above composed of cotton or other vegetable fiber, finished or unfinished, valued at not more than one dollar per dozen pairs, seventy cents per dozen pairs; valued at more than one dollar per dozen pairs and not more than one dollar and fifty cents per dozen pairs, eighty-five cents per dozen pairs; valued at more than one dollar and fifty cents per dozen pairs and not more than two dollars per dozen pairs, one dollar per dozen pairs; valued at more than two dollars per dozen pairs and not more than three dollars per dozen pairs, one dollar and fifty cents per dozen pairs; valued at more than three dollars per dozen pairs and not more than five dollars per dozen pairs, two dollars and fifty cents per dozen pairs; all of the foregoing to be the minimum rates, and in addition thereto a maximum rate of thirty-five per centum ad valorem; under no conditions is the minimum rate, ad valorem, to be less than fifteen per centum; valued at more than five dollars per dozen pairs, a maximum rate of eighty-five per centum ad valorem; under no conditions is the minimum rate ad valorem to be less than sixty-five per centum.

As evidence of the needs of the hosiery craft for additional protection, we would submit for your consideration the following comparative costs of four prominent and leading articles of staple hosiery. We have selected these four qualities for the reason they are the principal items of hosiery imported, representing a greater per cent of the total imports than any others; they are also the most popular articles of consumption. We could have taken any number of other qualities, which would have shown even a greater need for an increase in the hosiery-tariff rates, but the disposition of the hosiery manufacturers of America is to ask for that only which they feel they are justly entitled to receive at the hands of Congress.

EXAMPLE I.—Comparative cost of 39-gauge lisle half hose, made of 60/2 lisle yarn, weight 1 pound.

	Chem-nitz.	United States.
Yarn, dyeing, boxes, etc.....	\$0.48	\$0.65
Wages.....	.25	.80
Mill expenses.....	.13	.20
	.86	1.65
Difference in cost.....		.70
Duty collected at present.....		.63

EXAMPLE II.—Comparative cost of 36-gauge women's cotton hose, made of 1/20 combed Egyptian yarn, weight 1 pound 14 ounces.

	Chemnitz.	United States.
Yarn, dyeing, and boxes.....	\$0.57	\$0.77
Wages.....	.20	.76
Mill expense.....	.13	.20
	.90	1.73
Difference in cost.....		.83
Duty collected at present.....		.685

EXAMPLE III.—Comparative cost of 39-gauge women's lisle hose, made of 70/2 combed Egyptian lisle, weight 1 pound 6 ounces.

	Chemnitz.	United States.
Yarn, dyeing, and boxes.....	\$0.69	\$1.15
Wages.....	.25	.83
Mill expenses.....	.13	.20
	1.07	2.18
Difference in cost.....		1.11
Duty collected at present.....		.76

EXAMPLE IV.—Comparative cost of 39-gauge women's mercerized combed Egyptian lisle, made of 70/2 combed Egyptian mercerized lisle, weight 1 pound 6 ounces.

	Chemnitz.	United States.
Yarn, dyeing, and boxes.....	\$0.79	\$1.44
Wages.....	.25	.83
Mill expenses.....	.13	.20
	1.17	2.47
Difference in cost.....		1.30
Duty collected at present.....		.78

In estimating the German wages at about 30 per cent of American wages we have considered all official and unofficial reports that we could get, as well as a large quantity of confidential figures from a number of responsible and reliable sources. We are satisfied that a fair comparison will show the average weekly wages paid in the German hosiery mills to be somewhat less than 30 per cent of the wages paid in American hosiery mills.

It is impossible to go further into detail and compare prices paid for piecework, as the different operations in the mill are divided up and grouped together differently in Germany than in this country, making a flat comparison of rates practically impossible.

A large percentage of German hosiery exported to this country is the product of the so-called "cottage industry" in the villages around Chemnitz. In the "cottage industry" the manufacturer leases machines to individual operators, who work them in their homes and who are often assisted by each member of his family. The wages paid under this arrangement are incredibly low, even for Germany. There are no restrictions as to hours of labor and age of the workers. In figuring the comparative costs submitted we

have not, however, taken the "cottage-industry" feature of German hosiery manufacturing into consideration, but have based our calculation on the average wages paid in the factories in the Chemnitz district.

When the tariff of 1897 went into operation the hosiery industry was suffering from the baneful effects of the Wilson tariff bill. Wages were low and each and every item entering the cost of manufacturing cotton hosiery was cheap. The rates given in the tariff of 1897, notwithstanding the low wages and cheap materials, barely afforded sufficient protection to the wage-earner as against the cheap labor of Germany, the principal nation engaged in the exportation of cotton hosiery.

With the constantly increasing cost of living during the past ten years in this country, labor has demanded and has received material increases in wages, so that to-day wages paid the operatives in cotton-hosiery mills are fully 25 per cent higher than eleven years ago. (We would respectfully refer you to the appended affidavits from a number of large and representative manufacturers giving the present average weekly wage of the operatives in their mills.)

This increase in wages paid the work people, coupled with large increases in the price of materials necessary to manufacture cotton hosiery and to put it into marketable condition, has placed American hosiery manufacturers in a serious position, making it impossible for them to continue the operation of their plants under the present conditions. They are confronted with this proposition: Either they must receive more protection, measuring fully the differential between the cost of manufacturing abroad and the cost of manufacturing in this country, or else they must reduce wages, which are none too high when the cost of living is taken fully into consideration.

A careful census of the hosiery mills of this country shows the desperate condition of this craft; almost without exception, a week not exceeding four days is prevailing and in many cases three days a week is the true state of affairs. You therefore can readily understand the serious necessities of the industry, due entirely to the low cost of labor and materials in Germany, the keenest competitor for American cotton-hosiery trade.

During the eleven years of the tariff of 1897 we find after a careful investigation that the weekly wage of the Germany hosiery operatives for the same class of work has in reality been lowered, and that to-day they are receiving less remuneration for making fine qualities in hosiery than they did eleven years ago on the coarsest numbers.

Last summer the German manufacturers forced a strike, and after a lock out of some four weeks the work people succumbed and accepted a reduction aggregating about 25 per cent of the wages they had been receiving, and the result is the German manufacturers are on a lower basis of cost than ever before, thus enabling them to sell goods to this country at prices in marks and pfennigs 33½ per cent cheaper than the lowest price quoted in the past for the same article.

There has always been more or less undervaluation, notwithstanding the best efforts of the local appraisers to prevent same, but to-day the German manufacturers, through a system of averaging their selling prices, have brought it to apparent perfection. It is a well-known fact, which every buyer who visits Chemnitz will admit, if

he is so disposed, that German manufacturers freely and unblushingly offer certain quantities of merchandise worth \$1.25 at \$1 (thus paying a duty of 15 per cent ad valorem and 50 cents per dozen pairs specific, whereas if sold at their real value would pay a duty of 15 per cent ad valorem and 60 cents per dozen pairs specific), provided certain other quantities of better goods are purchased at \$1.50 and \$2 per dozen, the German manufacturer making sufficient profit on the quantities sold at \$1.50 and \$2, respectively, to average to him a satisfactory profit on the whole purchase. If asked for a price on each article separately he declines, saying that he is forced to sell all in conjunction in order to properly distribute the business on the various classes of machinery he is operating, thus keeping the proper balance in his plant; certainly an ingenious explanation, to say the least. Through this operation it is almost impossible for the local appraisers to establish and levy the duty on the actual market value, the same being so adroitly suppressed.

It is a well-known fact, common knowledge amongst reputable and honorable importers of hosiery, that many German manufacturers feel that evasion of American tariff laws is justified by the fact that it is no offense against German laws to offer unscrupulous importers merchandise the actual market value of which is \$1.15 on the following basis: \$1 to be paid by invoice and 15 cents in cash, through the buyer's German agent. By this process the dishonest American buyer has an advantage over the honest importer of 10 cents per dozen in the duty; the American wage-earner receives less protection than Congress intended he should have.

We have given much study to this evasion of the tariff laws, and the only effective method to remedy it is to arrange the schedules so that the cost of cotton hosiery, duties paid and landed, in this country will be such as to make such practices uninteresting. We believe this can be accomplished by the rates we are asking for.

The cotton-hosiery industry of this country is in the hands of some 500 separate and distinct manufacturers located in some 30 States. It is thoroughly competitive, we have no trusts in our craft, and a gentleman's agreement, so called, is unknown. The competition in the hosiery industry is keen and the margins of profit small. On account of the great number of manufacturers the competition amongst them for the best help is sharp. Wages are high, and our operatives will compare with any in intelligence. The cost of equipment of an American hosiery mill is double that of a German hosiery mill.

In 1907 the value of hosiery manufactured in the United States was \$50,000,000, giving employment to 50,000 operatives and salaried clerks, whose combined wages and salaries aggregated \$25,000,000 (figures for 1908 not yet available). We find that the imports of hosiery have constantly been increasing, as the following table will show:

	Number of dozen.	Value.	Duties.	Total value.
1903	3,814,055	\$4,948,890	\$3,149,387	\$8,098,247
1904	4,119,579	5,480,905	3,264,040	8,694,945
1905	4,232,028	5,424,660	3,287,518	8,711,638
1906	4,690,870	6,119,195	3,675,829	9,795,024
1907	5,128,726	7,019,894	4,188,741	11,158,135

While the hosiery manufacturers of the United States believe fully in according every industry full and ample protection, sufficient in measure to equalize the cost of manufacturing abroad and in this country, they also feel they are entitled to countervailing consideration at the hands of Congress in making the hosiery schedules and in equalizing the difference in the cost of their raw materials abroad and at home, which in the hosiery business is cotton yarn.

On English cotton yarn the hosiery manufacturers of this country to-day are paying a duty averaging from 15 cents to 24 cents per pound, whereas the German duty on the same yarn is only 3 cents per pound, 99 per cent of which is rebated by the German Government when used in manufacturing merchandise for export; thus the German manufacturers of cotton hosiery clearly have the advantage over the American manufacturers of the same merchandise by an average of 20 cents per pound. In German yarn his advantage is still greater, as German spinners enjoy the relatively low wages that prevail in the German hosiery industry. It is clearly unjust and unfair to equalize the difference in the cost of labor between Germany and the United States and not take into consideration a difference in the cost of the raw materials also, owing to the duty on cotton yarns. We feel confident the committee will see the justice of our claims in this respect.

Heretofore attention alone has been paid to the low cost of manufacturing cotton hosiery in Germany, which has been the principal exporting nation of this commodity. We would respectfully, however, call the attention of the committee to the conditions of cotton hosiery manufacturing in Japan. Within the past five years the Japanese have been rapidly erecting hosiery mills, which they have operated most successfully; up to the present time have confined themselves chiefly to supplying the needs of their own home market and that of China and India.

Consul-General William H. Michael, of Calcutta, furnishes the following information concerning the Japanese hosiery in India (see Daily Consular and Trade Reports of the Department of Commerce and Labor, Bureau of Manufactures, dated Tuesday, November 10, 1908):

The value of hosiery sold by Japan to India increased from \$36,460 in 1902-3 to \$1,279,743 in 1907-8. The explanation as to how Japan could do this was given as follows:

"The skill on the part of the Japanese, cheap but effective machinery, cheap labor, persevering attention to the Indian market, efficient aid by the Government in advising manufacturers how to go about getting the foreign trade. One Japanese mill engaged in manufacturing a class of goods largely shipped to India employed 200 hands, nearly all girls, who work for very small wages. It should be noted, however, that the wages of girls in Japanese mills are fully as much as those paid the girls in Indian mills. Most of the machinery was of Japanese manufacture, patterned after American machinery. In this way the mill was equipped at about one-fourth the cost of an Indian mill of the same capacity. The goods for the Japanese market were finished on American sewing machines, while the export goods were finished on low-priced sewing machines made in Germany. Thus Japan, by the severest economy in everything affecting the production and transportation of goods to India, is able to undersell the Indian mills. The effective economy is in the equipment of the mill, the kind of finishing machines used, and taking advantage of low rates of freight, etc. It is altogether likely that much of the saving is in the skill and quickness of the Japanese girl, the regularity of her work, and longer hours of labor compared with the Indian woman. While this mill, for example, was making money and selling most of its product to India, a mill manufacturing

the same class of goods located at Bombay shut down because it could not compete with Japanese prices."

This is serious food for thought, and the question naturally arises, How soon will the Japanese, with their frightfully low wages, even in comparison with those of Germany, the high-grade skill of their working people, and with the effective help of their Government, be competing with American labor?

The hosiery craft would earnestly engage the attention of the committee to this probability, for if Japan continues to advance in manufacturing in the next five years at the same ratio as she has in the last five American hosiery wage-earners will be confronted with a condition far more serious than that which faces them to-day with the low cost of labor and production of hosiery in Germany.

Most respectfully submitted.

William L. Waring, chairman, 72 Leonard street, New York City; George D. Horst, of The Nolde-Horst Company, Reading, Pa.; Thos. E. Brown, of Brown Knitting Company, Philadelphia, Pa.; W. Park Moore, of Brown-Aberle Company, Philadelphia, Pa.; Jos. S. Rambo, of Rambo & Regar, Inc., Norristown, Pa.; A. H. Sulloway, of Sulloway Mills, Franklin, N. H.; Julian S. Carr, Durham, N. C.; Garnett Andrews, of Richmond Hosiery Mills, Chattanooga, Tenn.

EXHIBIT A.

READING, PA., November 27, 1908.

MR. W. L. WARING,

*Chairman Tariff Committee, National Association of
Hosiery and Underwear Manufacturers.*

DEAR SIR: In order to enable the Ways and Means Committee to arrive at a proper basis for the protection absolutely necessary for our industry, we give you herewith the wages we pay for the various operations in the production of full-fashioned hosiery.

Worker.	Kind of work.	German name for kind of work.	Gauge of machine.	Yarn number.	Piece price per dozen.	Production during 59 hours, 2 machines.	Wages, weekly.
					<i>Cents.</i>	<i>Dozens.</i>	
Knitter...	Legger ...	Laengenmacher...	18 sec., 33 gauge.	18/1 to 23/1	a 19	150- 180	\$22.50-\$28.20
Do...	Footer...	Fussmacher	do	do	10	220- 250	22.00- 25.00
Girls...	Topping...	Aufstossen	do	do	6½	110- 125	7.15- 8.12
Do...	Looping...	Ketteln	do	do	5	160- 260	8.00- 13.00
Do...	Seaming...	Nähen	do	do	5	160- 260	8.00- 13.00
Do...	Mending...	Repass-iren	do	do	3	...	5.00- 9.00
Men...	Boarding...	Formen	do	do	4½	240- 260	10.80- 11.90
Girls...	Pairing...	Legen	do	do	3	200- 270	6.00- 8.50
Do...	Stamping...	Stempeln	do	do	1	600-1,000	6.00- 10.00
Knitter...	Legger ...	Laengenmacher...	18 sec., 39 gauge.	50/2 to 80/2 merchandise.	b 25	120- 130	24.00- 26.50
Do...	Footer...	Fussmacher	do	do	13	200- 220	26.00- 28.60
Girls...	Topping...	Aufstossen	do	do	7½	100- 110	7.50- 8.25
Do...	Looping...	Ketteln	do	do	6	150- 240	9.00- 14.40
Do...	Seaming...	Nähen	do	do	6	150- 240	9.00- 14.40
Do...	Mending...	Repass-iren	do	do	10	75- 90	7.50- 9.00
Men...	Boarding...	Formen	do	do	5½	200- 240	11.00- 13.20
Girls...	Pairing...	Legen	do	do	5	120- 170	6.00- 8.60
Do...	Stamping...	Stempeln	do	do	1	600-1,000	6.00- 10.00

* Less pay of helper, \$6.

b Less pay of helpers, \$6.

In addition, it must be considered that the mill expenses in this country are considerably higher than those in Germany, on account of the higher salaries paid for superintending, higher cost of power, considerably higher cost of machinery, and last, but not least, a greater annual depreciation on account of such higher values. We stand ready to give our figures in regard thereto.

There is still another factor which must be considered in fixing the protection necessary to our industry, and that is the danger of Japanese competition. According to a report of the American consul-general of Calcutta, India, published in the Daily Consular and Trade Reports of November 10, 1908, issued by the Department of Commerce and Labor, the value of hosiery sold by Japan increased from \$36,000 in 1902-3 to \$1,280,000 in 1907-8.

Yours, very truly,

BERKSHIRE KNITTING MILLS,
G. OBERLAENDER,
Secretary and Treasurer.

BERKS COUNTY,
State of Pennsylvania, ss:

Personally appeared before me the subscriber, a justice of the peace in and for said county, Gustav Oberlaender, secretary and treasurer of the Berkshire Knitting Mills, who, being duly sworn according to law, says that the above statement is true to the best of his knowledge and belief.

GUSTAV OBERLAENDER.

Sworn and subscribed before me this 28th day of November, 1908.

[SEAL.]

CHARLES M. HUBER,
Notary Public.

My commission expires May 6, 1912.

EXHIBIT B.

STATE OF PENNSYLVANIA,
County of Philadelphia, ss:

Personally appeared before me, a notary public residing at Philadelphia, in the aforesaid county and State, William Brown, manager of the William Brown Company, a corporation of Philadelphia, Pa., who, being duly sworn according to law, says: That the following list of wages paid at the present time at the hosiery mill of the above corporation at Philadelphia, Pa., was copied from the weekly pay roll of the said William Brown Company, and are true and correct, both as to the rates paid for piecework and as to the weekly averages earned by the different classes of operators; that the rates have been in force for years; that, to the best of his knowledge and belief, there is no material difference between the wages paid for the same kind of work in the different sections of the United States; and that the following schedule of rates for piecework and the list of weekly averages constitute a fair basis for calculating the cost in the hosiery factories of the United States of such lines of goods as are coming in most direct competition with foreign, and especially German, goods:

(1) Average weekly wages paid:

Leggers (men)-----	\$31. 50
Footers (men)-----	27. 00
Loopers (women)-----	10. 50
Seamers (women)-----	10. 00
Toppers (women)-----	8. 50
Menders (women)-----	9. 50
Boarders (men)-----	14. 00
Finishers (women)-----	8. 00
<hr/>	
Knitting legs-----	. 27
Knitting feet-----	. 15
Topping-----	. 08
Looping-----	. 07
Seaming-----	. 08
Examining and mending-----	. 04
Boarding-----	. 07
Pairing and folding-----	. 03
Stamping and boxing-----	. 03
Winding-----	. 02
Other wages and salaries-----	. 18

Total wages per dozen----- 1. 02

That the foregoing facts are true and correct, to the best of his knowledge, information, and belief.

WM. BROWN Co.,
WM. BROWN, *President.*

Sworn and subscribed before me this 27th day of November, A. D. 1908.

[SEAL.]

FRANK A. FRIEND,
Notary Public.

STATE OF PENNSYLVANIA,
County of Philadelphia, ss:

Personally appeared before me, a notary public, residing at Philadelphia, in and for said county and State, William S. Ash, secretary of the Glen Knitting Company, a corporation of Philadelphia, Pa., who, being duly sworn according to law, says: That the following list of wages paid at the present time at the hosiery mill of the above corporation at Philadelphia, Pa., was copied from the weekly pay roll of the said Glen Knitting Company, and is true and correct both as to the rates paid for piecework and as to the weekly averages earned by the different classes of operators; that the rates have been in force since April, 1907, and have not been reduced since then; that to the best of his knowledge and belief there is no material difference between the wages paid for the same kind of work in the different sections of the United States; and that the following schedule of the rates for piecework and the list of weekly averages constitute a fair basis for calculating the cost in the hosiery factories of the United States of such lines of goods as are coming in most direct competition with foreign, and especially German, goods:

(1) Average weekly wages paid:

Knitters (men)-----	\$30. 00
Toppers (women)-----	8. 00
Loopers (women)-----	10. 00
Seamers (women)-----	10. 00
Menders (women)-----	10. 00
Finishers (women)-----	9. 00
Finishers (men)-----	14. 00

(2) Rates paid for piecework for 36-gauge ladies' hose:

Knitting legs	\$0. 25
Knitting feet	. 11
Topping feet	. 07
Looping	. 065
Seaming	. 075
Examining and mending	. 04
Boarding	. 055
Pairing and packing	. 075
Other wages and salaries	. 15
Total wages per dozen	. 89

That the foregoing facts are true and correct to the best of his knowledge, information, and belief.

WM. S. ASH.

Sworn and subscribed before me this 27th day of November, A. D. 1908.

[SEAL.]

GEO. E. GRIFFIN,
Notary Public.

EXHIBIT C.

STATE OF PENNSYLVANIA,

County of Berks, ss:

Personally appeared before me, a notary public, residing at Reading, in and for said county and State, George D. Horst, secretary and treasurer of The Nolde & Horst Company, a corporation of Reading, Pa., who being duly sworn according to law says: That the following list of wages paid at the present time at the hosiery mill of the above corporation at Reading, Pa., was copied from the weekly pay roll of the said Nolde & Horst Company, and is true and correct, both as to the rates paid for piecework and as to the weekly averages earned by the different classes of operators; that the rates have been in force since April, 1907, and have not been reduced since then; that to the best of his knowledge and belief there is no material difference between the wages paid for the same kind of work in the different sections of the United States, and that the following schedule of rates for piecework and the list of weekly averages constitute a fair basis for calculating the cost in the hosiery factories of the United States of such lines of goods as are coming in most direct competition with foreign, and especially German, goods:

(1) Average weekly wages paid:

Knitters (men)	\$28. 00
Toppers (women)	8. 50
Seamers (women)	8. 50
Loopers (women)	13. 00
Menders and examiners (women)	9. 50
Finishers (men)	15. 00
Finishers (women)	8. 00

(2) Rates paid for piecework for 39-gauge half hose:

Knitting legs	. 13
Knitting feet	. 135
Topping legs	. 08
Topping feet	. 03
Looping	. 075
Seaming	. 055
Examining and mending	. 04

(2) Rates paid for piecework for 39-gauge half hose—Continued.

Boarding	\$0.045
Pairing and packing	.06
Other wages and salaries	.10
Total wages per dozen	.80

That the foregoing facts are true and correct to the best of his knowledge, information, and belief.

GEORGE D. HORST.

Sworn and subscribed before me this 23d day of November, A. D. 1908.

[SEAL.]

D. M. STEWART, *Notary Public.*

STATE OF PENNSYLVANIA,

County of Philadelphia, ss:

Personally appeared before me, a notary public, residing at Philadelphia, in and for said county and State, Reinhard Huettig, secretary and manager of the German-American Hosiery Company, a corporation of Philadelphia, Pa., who, being duly sworn according to law, says that the following list of wages paid at the present time at the hosiery mill of the above corporation at Philadelphia, Pa., was copied from the weekly pay roll of the said German-American Hosiery Company, and is true and correct both as to the weekly averages and piecework earned by the different classes of operators; that to the best of his knowledge and belief there is no material difference between the wages paid for the same kind of work in the different sections of the United States, and that the following schedule of rates for piecework and the list of weekly averages constitute a fair basis for calculating the cost in the hosiery factories of the United States of such lines of goods as are coming in most direct competition with foreign, and especially German, goods:

(1) Average weekly wages paid:

Knitters (men)—

Legging machines	\$30.00
Footing machines	23.00
Toppers (women)	8.50
Seamers (women)	12.50
Loopers (women)	11.00
Menders (women)	9.50
Finishers (men)	16.00
Finishers (women)	8.50

(2) Rates paid for piecework.

	Ladies' hose.	
	For 33 gauge.	For 36 gauge.
Knitting legs	\$0.19	\$0.22
Knitting feet	.10	.11
Topping	.06	.06
Looping	.065	.065
Seaming	.07	.08
Mending	.04	.04
Boarding	.04	.05
Pressing	.01	.01
Pairing and folding	.04	.04
Other wages and salaries	.125	.125
Total	.74	.80

That the foregoing facts are true and correct to the best of his knowledge, information, and belief.

REINHARD HUETTIG.

Sworn and subscribed before me this 24th day of November, A. D. 1908.

[SEAL.]

WILLIAM J. GEGGIS,
Notary Public.

EXHIBIT D.

STATE OF PENNSYLVANIA,
County of Philadelphia, ss:

Personally appeared before me, a notary public, residing at Philadelphia, in and for said county and State, Thomas E. Brown, president of the Brown Knitting Company, a corporation of Philadelphia, Pa., who, being duly sworn according to law, says: That the following list of wages paid at the present time at the hosiery mill of the above corporation at Philadelphia, Pa., was copied from the weekly pay roll of the said Brown Knitting Company, and is true and correct both as to the rates paid for piecework and as to the weekly averages earned by the different classes of operators; that the rates have been in force since April, 1907, and have not been reduced since then; that to the best of his knowledge and belief there is no material difference between the wages paid for the same kind of work in the different sections of the United States, and that the following schedule of the rates for piecework and the list of weekly averages constitute a fair basis for calculating the cost in the hosiery factories of the United States of such lines of goods as are coming in most direct competition with foreign and especially German goods:

(1) Average weekly wages paid:

Knitters (men)-----	\$31. 00
Toppers (women)-----	8. 00
Loopers (women)-----	9. 50
Seamers (women)-----	10. 00
Menders (women)-----	10. 00
Finishers (women)-----	9. 00
Finishers (men)-----	14. 50

(2) Rates paid for piecework for 39-gauge ladies' hose:

Knitting legs-----	. 26
Knitting feet-----	. 14
Topping feet-----	. 08
Looping-----	. 07
Seaming-----	. 075
Examining and mending-----	. 04
Boarding-----	. 06
Pairing and packing-----	. 075
Other wages and salaries-----	. 15

Total wages per dozen----- . 95

That the foregoing facts are true and correct to the best of his knowledge, information, and belief.

THOS. E. BROWN.

Sworn and subscribed before me this 24th day of November, A. D. 1908.

[SEAL.]

GEO. E. GRIFFIN, Notary Public.

EXHIBIT E.

STATE OF PENNSYLVANIA,

County of Philadelphia, ss:

Personally appearing before me, a notary public, residing in Philadelphia, in the aforesaid county and State, Harry C. Aberle, partner of the Harry C. Aberle & Co., a copartnership of Philadelphia, Pa., who being duly sworn according to the law, says: That the following list of wages paid at the present time at the hosiery mill of the above copartnership at Philadelphia, Pa., was copied from the weekly pay roll of the said Harry C. Aberle & Co., and is true and correct as to the weekly average earned by the different classes of operators as herein set forth, and that said rates have been in force for years; that to the best of his knowledge and belief there is no material difference between the wages paid for the same kind of work in the different sections of the United States, and that the following schedule of rates for piece-work and the list of weekly averages as herein set forth constitute a fair basis for calculating the cost in the hosiery factories of the United States of such lines of goods as are coming in most direct competition with foreign and especially German goods:

Average weekly wages paid:

Leggers (men)-----	\$33.98
Footers (men)-----	26.68
Loopers (women)-----	9.62
Seamers (women)-----	11.08
Menders (women)-----	7.80
Finishers (women)-----	8.27
Toppers (women)-----	7.96
Boarders (men)-----	11.63

That the foregoing facts are true and correct to the best of his knowledge, information, and belief.

HARRY C. ABERLE.

Sworn and subscribed before me this 24th day of November, A. D. 1908.

[SEAL.]

FRED E. SCHMIDT,
Notary Public.

EXHIBIT F.

THORNTON, R. I., *November 13, 1908.*

Mr. WILLIAM L. WARING,

*Chairman Tariff Committee,**72 Leonard Street, New York City.*

MY DEAR SIR: Your kind favor of the 11th received and noted. Inclosed find prices we pay on the various kinds of work:

	Average per week.
Worsted leggers-----	\$16.00 to \$18.00
Worsted footers-----	18.00 to 20.00
Worsted toppers-----	7.00 to 8.00
Worsted loopers-----	8.00 to 10.00

	Average per week.
Worsted seamers.....	\$8.00 to \$10.00
Worsted menders.....	8.00 to 10.00
Worsted finishers.....	16.00 to 18.00
Cotton leggers.....	14.00 to 16.00
Cotton footers.....	16.00 to 18.00
Cotton toppers.....	7.00 to 8.00
Cotton loopers.....	8.00 to 10.00
Cotton seamers.....	8.00 to 10.00
Cotton menders.....	8.00 to 10.00
Cotton finishers.....	16.00 to 18.00
Silk leggers.....	25.00 to 28.00
Silk footers.....	31.00 to 33.00
Silk toppers.....	9.00 to 10.00
Silk loopers.....	13.00 to 15.00
Silk seamers.....	11.00 to 13.00
Silk menders.....	11.00 to 12.00
Silk finishers.....	16.00 to 18.00

In making our calculations as above you will notice we make a variation, as you understand some operators will easily make \$2 a week more than others. The average, of course, will be between the prices given, if you desire that information.

The tariff on the cotton schedule, as you know, has always been too low, and since the new arrangement with Germany we have dropped out of the cotton business entirely, as it is useless to try to compete; we must let our machinery wait for a change in the tariff before we can work it profitably. The full-fashioned hosiery industry has paid the Government millions of dollars duties, and then to have them legislate against our industry it seems very unfair. I hope something may be done at this meeting that will improve our condition and give us a chance to get back some of the money that we have paid the Government on our imported machinery.

If there is any other information that you desire that I can give you kindly let me hear from you, and oblige,

Very truly, yours,

GEO. E. BOYDEN, *Treasurer.*

EXHIBIT G.

STATE OF PENNSYLVANIA,
County of Philadelphia, ss:

Personally appeared before me, a notary public, residing at Philadelphia, in the aforesaid county and State, Henry Brown, manager of the Brown, Aberle Company, a corporation of Philadelphia, Pa., who, being duly sworn according to law, says: That the following list of wages paid at the present time at the hosiery mill of the above corporation at Philadelphia, Pa., was copied from the weekly pay roll of the said Brown, Aberle Company, and are true and correct, both as to the rates paid for piecework and as to the weekly averages earned by the different classes of operators; that the rates have been in force for years; that to the best of his knowledge and belief there is no material difference between the wages paid for the same kind of work in the different sections of the United States, and that the following schedule of rates for piecework and the list of weekly averages constitute a fair basis for calculating the cost in the hosiery factories of the United States of such lines of goods as are coming

in most direct competition with foreign, and especially German, goods:

(1) Average weekly wages paid:

Leggers (men)-----	\$31.45
Footers (men)-----	32.20
Loopers (women)-----	11.30
Seamers (women)-----	10.50
Toppers (women)-----	8.50
Menders (women)-----	10.00
Boarders (men)-----	14.50
Finishers (women)-----	8.00

(2) Rates paid for piecework for 39 gauge ladies' 70/2 Hsle:

Knitting legs-----	.27
Knitting feet-----	.15
Topping-----	.03
Looping-----	.07
Seaming-----	.03
Examining and mending-----	.04
Boarding-----	.06
Pairing and folding-----	.06
Winding-----	.02
Other wages and salaries-----	.15

Total cost per dozen----- .93

That the foregoing facts are true and correct to the best of his knowledge, information, and belief.

HENRY BROWN.

Sworn and subscribed before me this 24th day of November, A. D. 1908.

[SEAL.]

FRED E. SCHMIDT,
Notary Public.

EXHIBIT H.

STATE OF PENNSYLVANIA,

County of Philadelphia:

Personally appeared before me, a notary public, residing at Philadelphia, in and for said county and State, George B. Pfingst, trading as Lee Hosiery Mills, of Philadelphia, who, being duly sworn according to law, says that the following list of wages paid at the present time at the hosiery mill of the above individual at Philadelphia, Pa., was copied from the weekly pay roll of the said George B. Pfingst, trading as Lee Hosiery Mills, and are true and correct both as to the rates paid for piecework and as to the weekly averages earned by the different classes of operators; that the rates have been in force since April, 1907, and have not been reduced since then; that to the best of his knowledge and belief there is no material difference between the wages paid for the same kind of work in the different sections of the United States, and that the following schedule of rates for piecework and the list of weekly averages constitute a fair basis for calculating the cost in the hosiery factories of the United States:

of such lines of goods as are coming in most direct competition with foreign, and especially German, goods:

(1) Average weekly wages paid:

Knitters (men)-----	\$27. 50
Toppers (women)-----	8. 48
Seamers (women)-----	11. 02
Loopers (women)-----	12. 70
Menders and examiners (women)-----	9. 53
Finishers (men)-----	16. 30
Finishers (women)-----	8. 61

(2) Rates paid for piecework for 33-gauge half hose:

Knitting legs-----	.10
Knitting feet-----	.11
Topping legs-----	.05
Topping feet-----	.05
Looping-----	.03
Seaming-----	.05
Examining and mending-----	.04
Boarding-----	.03
Pairing and packing-----	.06
Other wages and salaries-----	.10

Total wages per dozen----- .65

That the foregoing facts are true and correct to the best of his knowledge, information, and belief.

GEORGE B. PFINGST,
(Trading as Lee Hosiery Mills).

Sworn and subscribed before me this 25th day of November, A. D. 1908.

[SEAL.]

EDWARD M. MOLL,
Notary Public.

UNDERWEAR MANUFACTURERS RECOMMEND A NEW CLASSIFICATION FOR KNITTED COTTON UNDERWEAR.

PHILADELPHIA, PA., December 1, 1908.

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: The knitted underwear manufacturers' committee of the National Association of Hosiery and Underwear Manufacturers submit for the consideration of the Ways and Means Committee the following pertaining to their industry:

The number of mills engaged in the manufacture of knitted cotton underwear in the United States number 476 concerns.

This, however, does not include the large number of cotton-yarn spinning plants and other collateral industries located throughout the country, and particularly the spinning plants established in the Southern States within the past ten years, whose product is sold largely to the knit-underwear manufacturers throughout the United States.

The industry extends over the Middle, Southern, Eastern, and Western States, and is largely engaged in by individuals with limited capital, representing in many instances the only industry in the community, affording remunerative and congenial employment.

There has never been a trust or combination formed by the manufacturers of knit goods for the purpose of controlling either output or selling price, the nature of the business being such that it can be engaged in by small manufacturers with limited means.

The average rate of wages paid to skilled women sewing-machine operators in the United States varies from \$1.50 to \$2 per day. The same class of labor in France, Germany, or Switzerland receives from 30 cents to 50 cents per day.

Wages paid winders in the United States, \$1.50 to \$1.75 per day. The same class of labor in foreign countries receives 35 cents to 40 cents per day.

Wages paid knitters in the United States, \$1.25 to \$2 per day. The same class of labor in foreign countries receives 65 cents to 75 cents per day.

The items of labor entering into the cost of manufacture of knitted underwear represent from 65 per cent to 75 per cent of the total, and unless the present rate of tariff is maintained as a minimum or increased to meet prospective new conditions, we will be unable to hold our own markets or continue to grow as an industry, excepting by material reduction in the American standard of wages.

The present schedule, as shown in paragraph 319, act of July 24, 1897, known as "the Dingley tariff act," is not sufficient to protect American manufacturers engaged in the manufacture of the medium and better grades of cotton underwear from importations of French, German, or Swiss goods, owing to the very much lower rate of wages paid in those countries, as against our own highly paid American labor, and as evidence of the small factor of safety in the present tariff schedule, the imports have steadily increased.

We believe that it is to the best interest of the wage-earners and knit-goods manufacturers of the United States, as well as those engaged in the spinning and other dependent industries, that the present schedule of duties, as shown in paragraph 319 of the Dingley tariff act, should be changed to read as follows:

Shirts and drawers, pants, vests, union suits, combination suits, tights, sweaters, corset covers, and all underwear of every description made wholly or in part on knitting machines or frames, or knit by hand, finished or unfinished, not including stockings, hose, and half hose composed of cotton or other vegetable fiber, valued at not more than \$1.50 per dozen, 75 cents per dozen and 15 per cent ad valorem; valued at more than \$1.50 and not more than \$3, \$1.40 per dozen and 15 per cent ad valorem; valued at more than \$3 and not more than \$5, \$2 per dozen and 25 per cent ad valorem; valued at more than \$5 and not more than \$7, \$2.50 per dozen and 35 per cent ad valorem; valued at more than \$7 and not more than \$9, \$3.25 per dozen and 35 per cent ad valorem; valued at more than \$9 and not more than \$11, \$3.50 per dozen and 35 per cent ad valorem; valued at more than \$11 and not more than \$13, \$3.75 per dozen and 35 per cent ad valorem; valued at more than \$13 and not more than \$15, \$4 per dozen and 35 per cent ad valorem; valued at more than \$15, \$4 per dozen and 50 per cent ad valorem.

Our reason for recommending this increase of about 20 per cent in the present schedule is prompted through a desire to meet the possibility of the passage of a trade or reciprocity treaty with any competing foreign country, and we call the attention of your committee to the danger which threatened our industry in 1899 through a proposed reciprocity treaty with France, negotiated by Special Commissioner John A. Kasson, which treaty would have enabled the French manufacturers to send their goods into our country at a

reduction of 20 per cent from the present schedule, and which change of rates would have nullified the protective features of the Dingley Act and would have been disastrous to our industry.

In conclusion we appeal to your committee to revise the rates of the Dingley tariff and make the change recommended by us for the purpose specified.

Respectfully submitted.

NATIONAL ASSOCIATION OF HOSIERY AND
UNDERWEAR MANUFACTURERS OF PHILADELPHIA,
EDW. H. CLIFT,
HARRY QUERNS,
JOHN C. VAN DE WATER,
E. G. KATTERMAN,
JULIUS HIRSCH,
JOS. FELDENHEIMER,
Underwear Committee.

EXHIBIT A.

[Memorandum attached to brief submitted by knitted cotton underwear committee of the National Association of Hosiery and Underwear Manufacturers, showing percentage rate of protection under Dingley tariff and increased percentage rate of protection desired. Referring to paragraph 319.]

Foreign selling price or valuation.	Present rate.		Total protection under present Dingley tariff.	Proposed rate, showing change and increase asked for.		
	Specific.	Ad valorem.		Specific.	Ad valorem.	Total per cent.
\$0.50	\$0.60	Per cent. 15	Per cent. 57	\$0.75	Per cent. 15	62
.75			48			58
1.00			42			47
1.25			38			42
1.50	1.10	15	46	1.40	15	52
1.75			44			48
2.00			41			46
2.25			39			43
2.50			37			41
2.75			35			40
3.00	1.50	25	43	2.00	25	48
3.50			40			45
4.00			38			43
4.50			36			41
5.00	1.75	35	41	2.50	35	45
5.50			40			44
6.00			39			43
6.50			38			42
7.00	2.25	35	40	3.25	35	45
7.50			39			44
8.00			38			43
8.50			38			42
9.00	2.25	35	37	3.50	35	42
9.50			37			41
10.00			36			41
10.50			36			40
11.00	2.25	35	35	3.75	35	40
11.50			35			40
12.00			35			40
12.50			34			39
13.00	2.25	35	34	4.00	35	39
13.50			34			39
14.00			33			39
14.50			33			38
15.00		50	33	4.00	50	43

**CLIFTON P. BAKER, BOSTON, MASS., URGES THAT PRESENT RATES
ON UNDERWEAR BE MAINTAINED AS A MINIMUM.**

BOSTON, MASS., *December 1, 1908.*

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: I wish to call your attention first of all to the many classes of goods covered in paragraph 319. Every description of goods made wholly or in part on knitting machines or frames or knit by hand, excepting stockings, is included in this one paragraph. It applies to cotton goods only.

Dockham's Trade Directory for 1907 shows 456 establishments engaged in the manufacture of these goods in the United States. By States they are divided as follows: Alabama, 3; California, 3; Connecticut, 10; Delaware, 1; Florida, 1; Georgia, 8; Idaho, 2; Illinois, 8; Indiana, 5; Iowa, 1; Maryland, 1; Massachusetts, 32; Michigan, 15; Minnesota, 2; Mississippi, 1; New Hampshire, 1; New Jersey, 12; New York, 154; North Carolina, 7; Ohio, 16; Oregon, 2; Pennsylvania, 121; Rhode Island, 9; South Carolina, 2; Tennessee, 4; Utah, 10; Vermont, 6; Virginia, 8; Wisconsin, 11; total, 456.

There is no trust or organization for the control of prices, so far as I know.

It is impossible to give with any accuracy the number of employees engaged in this work, but probably as great a number as 200,000 people are directly employed, and indirectly many more. The company that I represent (Lawrence Manufacturing Company, of Lowell, Mass.) employs 3,200 hands directly throughout the year (tariff and home competition permitting) in the manufacture of one variety of goods in one of the classes covered by paragraph 319.

I say one variety in one of the classes. The class that I refer to is shirts and drawers, and the variety is men's medium-priced balbriggan. There are numerous varieties in each—men's, women's, and children's goods.

As a manufacturer seldom makes more than one variety, you can understand that no man can come here and discuss intelligently the whole of paragraph 319. I am free to admit that I can not tell the rate of duty required for any except the variety of goods we make. I do know what we require, but I do not know even what men's high-priced balbriggan goods need; much less do I know what other varieties of men's goods need; and less still about women's and children's, to say nothing of pants, vests, union suits, sweaters, etc.

As the industry is so scattered it has been impossible to get any general meeting of manufacturers to try to decide upon rates needed as a whole. Therefore we are obliged to submit our ideas separately.

The help employed by us in making up and finishing the goods is skilled labor receiving good wages. With the present rates of duty we can, I am confident, continue wages as at present; but with a lower tariff I believe it will cause a decrease in the number of our help, and in the wages as well.

French-made balbriggan goods are now imported and sold at practically the same price as domestic goods.

It is impossible to give the number of dozens or the value of any one variety of underwear imported, for the reason that all are lumped in the customs report.

The total value of underwear as a whole for the year ending June 30, 1907, was, including duties, \$1,295,000.

This is not a very large amount, but it is large enough. That the importations will greatly increase with any reduction in the tariff there is no question, unless we offset it by a reduction in the labor cost of our goods.

I was in the same business position under the Wilson bill as at present, and know well the effect of lower duties upon our industry. The financial result was then unsatisfactory, even with low wages; whereas under our present tariff the company has been successful and the help well paid.

Domestic competition is severe enough in men's medium-priced balbriggan underwear to safeguard against excessive prices. Is there any need of adding to this competition by reducing the tariff, which can only result in lowering wages of the help and in the employment of a smaller number?

As importations of medium-priced underwear have gradually increased under the present tariff, I claim that present rates should be maintained as a minimum.

Respectfully submitted.

CLIFTON P. BAKER,
58 Ames Building, Boston.

**THE COOPER UNDERWEAR COMPANY, KENOSHA, WIS., THINKS
PRESENT DUTY ON UNDERWEAR NECESSARY.**

KENOSHA, WIS., *December 4, 1908.*

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: We note that Mr. James Van Cleave, of the Buck Stove and Range Company, who is chairman of the National Association of Manufacturers, takes the stand as representing the manufacturers of the United States that they wish a revision of the tariff, by which he represents them as wishing for a reduction.

We are members of the Association of Manufacturers, but we oppose any such position as representing us. We do not believe that more than a small per cent of the manufacturers of the United States wish a reduction of the tariff, and then it is only the manufacturers of iron and leather.

We wish to protest against a reduction of tariff on textiles. It is very difficult for us to compete with imported French underwear, even with the present tariff, and the statistics of which you are possessed will show you that immense quantities of French underwear are imported into this country every year in spite of the present tariff.

Commending this to your best judgment, we remain,

Yours, very truly,

COOPER UNDERWEAR CO.,
Per HENRY S. COOPER,
President and Treasurer.

LEVI STRAUSS & CO., SAN FRANCISCO, RECOMMEND NEW CLASSIFICATION FOR HOSIERY AND UNDERWEAR.SAN FRANCISCO, CAL., *November 11, 1908.*

HON. S. E. PAYNE,
Chairman Ways and Means Committee,
Washington, D. C.

DEAR SIR: The newspapers report your committee now in session re tariff revision. You will pardon my taking your valuable time, yet I wish to call your attention to a portion of the act of 1897 that has been most pernicious in its effect on the wholesaler and jobber of hosiery and underwear, paragraphs 318, 319. The bad feature of these is the fixed limits. The result has been that in making these limits the Government has forced foreign manufacturers to strain every effort to produce the very best article and force the price to the stated limits. This of itself has hurt the domestic manufacturer, because it has compelled him to meet the competition on an article on which the price is forced upon him, and the act fostered by our Government.

This also has resulted in fixing the cost to the jobber and wholesaler and limiting his range of purchases to five different grades of hosiery and six of underwear. These different steps or limits in the tariff immediately became so well known that even the tyro in the business knew to the fraction of a cent what the wholesaler paid for his goods, consequently we have been obliged to sell these goods with little or no profit.

When you stop to consider the vast capital and number of firms and employees concerned in the marketing of this merchandise in the United States, they should be given the opportunity to realize something in the way of profit on the investment, with the resultant increase of income for the employee. A straight schedule of, say, 50 cents per dozen and 10 or 12½ per cent, regardless of the foreign cost, will fully protect the home manufacturers and enable the distributors of these lines to carry on a successful trade.

Yours, truly,

W. G. MCCARTHY,
For LEVI STRAUSS & Co.,
Importers.

HON. S. W. SMITH, M. C., SUBMITS LETTER OF THE PONTIAC KNITTING COMPANY, PONTIAC, MICH., RELATIVE TO JAPANESE COMPETITION ON KNIT GOODS.WASHINGTON, D. C., *December 7, 1908.*

HON. SERENO E. PAYNE,
Washington, D. C.

DEAR MR. PAYNE: I inclose a letter from F. G. Jacobs, one of my constituents, living in my home city, Pontiac, Mich. Mr. Jacobs speaks from a knowledge obtained after several years of practical experience.

Sincerely, yours,

S. W. SMITH.

PONTIAC, MICH., *November 30, 1908.*

HON. S. W. SMITH,
Washington, D. C.

DEAR MR. SMITH: When considering the question of the revision of the tariff I would like to particularly call your attention to our industry. It is an absolute certainty that if the tariff is lowered to any considerable extent on knit goods it would practically do away with the knitting business in this country. I understand that the Japanese are now taking up the knit-goods industry, and with their cheap labor we would not be able to compete in this country.

I hope you will bear this matter in mind when the occasion arises.

Very truly, yours,

PONTIAC KNITTING COMPANY,
By F. G. JACOBS, *General Manager.*

**W. W. HOWLAND, NEW YORK CITY, RECOMMENDS INCREASE
OF DUTY ON HIGHER GRADES OF KNIT GOODS.**

NEW YORK, *December 17, 1908.*

HON. SERENO E. PAYNE,
Chairman of the Ways and Means Committee,
Washington, D. C.

DEAR SIR: As a factor or distributor of knit underwear of more than forty years' experience, most of which has been in the capacity of manager of the underwear department of the house of James Talcott, of this city, without at present having any direct interest in a mill, and in the course of my long experience having represented scores of them, and believing such knowledge and experience as I have gained in that time may be of some service to your honorable committee, I venture to submit for your consideration certain facts which can be substantiated with reference to the knit-goods industry. In the first place, permit me to say there is no more honorable or legitimate industry in our land, and one in which we should be qualified to be successful, as it embraces not only underwear, but hosiery, gloves, and fancy goods. In the second place, there is not the slightest suspicion or trace of a trust, combination, or monopoly, and one of the principal reasons for this, if the committee cares to know it, is that it is impossible to get enough manufacturers together who could show sufficient profit the past five years that would enable them to form a trust whose securities would appeal to the investing public; and I state as an indisputable fact, without fear of contradiction, strange as it may seem, that instead of the manufacturers trying to see how much they can get for their product, they are engaged in figuring at this writing how near to cost they can sell their goods and still retain some profit.

As an illustration, I would state that while the cotton yarn from which certain underwear is made has advanced in price, the goods manufactured from such yarn are being offered at reduced prices. This anomaly is due to the fierce competition in our own country. What the result would be if more underwear should be imported from

foreign countries may be readily surmised. The result of this is that to-day, and for years, there is no commodity of all the necessities of life that is as cheap as underwear or hosiery. It is doubtful whether, in the entire length and breadth of our land, there has come forth a complaint from a consumer of the price he has to pay for such commodities. Now, with reference to the industry in general, while it has grown within the past fifty years to keep pace with our population, and employs to-day several hundred thousands, with an estimated pay roll of about \$100,000,000, and the industry is scattered all over the entire country, it can not be said that it is an attractive or remunerative business. While it is true that there are some instances where manufacturers, by reason of their particular facilities or by producing some new fabric that forcibly appeals to the consumer, may have been eminently successful, the great majority are not what are termed a success, and such as have been successful, I may say, are an exception to the rule. In my long experience, dating back into the sixties, I can say with truth that there have been more failures than successes. It is true there are a number of mills making knit goods which might indicate to the casual observer that they were successful, but as the only measure of success that appeals to most investors is the size of the dividend, it can not be said they are a pronounced success.

I have in mind scores of mills, some of which never paid dividends, many of which the most that has been paid has been 5 per cent to 10 per cent per annum; and one I recall at this writing, regarded as a fairly successful mill, has paid on an average of 2 per cent per annum the past six years. A mill in which I was personally interested, in existence about eight years, paid but one dividend of 10 per cent and after a short time gave up its charter. It may be said these results were due to mismanagement or misfortune, and I will not attempt to deny it in a measure, but if the other so-called "successful" mills had not only to compete with the unsuccessful ones, but in addition were called upon to meet the competition of foreign-made goods (if Congress had not in its wisdom granted protection to the industry), it would be in a worse condition than it is. Everyone who is familiar with the high grades of cotton balbriggan and fashioned underwear and hosiery will agree with me that they have not now nor did they ever have the protection they are justly entitled to, and the result is there are but few mills making that class of goods, which are sold exclusively to the well to do and the rich. Moreover, practically all the goods that come to this market from France and Germany, or at least 90 per cent, are of this character, and come in direct conflict with and bear heavily upon the makers of this class of goods, whereas all that are exported are of the cheaper grade and mostly cheap balbriggans. There can be no question as to the ability of the manufacturers in this country to make goods that are the equal in every respect to foreign goods, and the only reason more of them are not made is because of the insufficient protection under the present law. If in the wisdom of your committee you were disposed to favor an adequate tariff rate to cover such high grades, it would undoubtedly be an incentive for manufacturers to enter this field, and thus materially increase the earning power of our own country. It will be seen from this explanation that the knit-goods industry is one that commands the respect of all classes. It places no burden upon the consumer.

It is not guilty of selling its product abroad, when, as is sometimes the case, new goods are introduced which are not made in other countries, at a less price than they are sold to our own people. It is reaching out to all sections of the land, and is entitled therefore to the support of everyone who has the well-being of our people at heart.

Respectfully submitted.

W. W. HOWLAND.

HON. JOSEPH G. CANNON, M. C., SUBMITS LETTER OF THE PARAMOUNT KNITTING COMPANY, CHICAGO, ILL., RELATIVE TO THE HOSIERY INDUSTRY.

CHICAGO, *December 16, 1908.*

HON. JOSEPH CANNON,

House of Representatives, Washington, D. C.

DEAR SIR: We write you in regard to the tariff on hosiery made on knitting machines. We may consistently consider this as a new industry, and the encouragement by the tariff on these articles as given the American mechanics and inventors has been very great. The manufacturer has not had time to profit by these inventions, by reason of the fact that he has been compelled to discard his old machines about every five years and replace with new equipment of more recent invention, thereby absorbing his profit.

Japan and India have and are starting in where we are to-day, and the extremely low prices of their operatives would put us out of business unless a protection is given that will preserve our manufactures. We do not see how any reduction can or should be made on hosiery classified Schedule No. 1, Cotton Manufactures, and designated under that head as hosiery made on knitting machines. We would request that you use your best efforts to retain this tariff as it now exists.

Respectfully, yours,

PARAMOUNT KNITTING COMPANY,
Per W. E. CLARKE, *Secretary.*

COTTON SHIRTS.

[Paragraph 319.]

HUTCHINSON, PIERCE & CO., NEW YORK CITY, STATE THAT PRESENT DUTY ON COTTON SHIRTS IS NECESSARY.

WASHINGTON, D. C., *December 16, 1908.*

HON. SERENO E. PAYNE, M. C.,

Chairman Ways and Means Committee.

DEAR MR. PAYNE: Inclosed please find letter to myself, and also copy of letter to Senator Morgan G. Bulkeley, concerning the ready-made shirt industry.

Very truly, yours.

E. J. HILL.

NEW YORK, *December 14, 1908.*

Hon. E. J. HILL, M. C.,

House of Representatives, Washington, D. C.

DEAR MR. HILL: I am not informed as to whether there is any agitation on foot to lower the tariff on imported shirts and other garments such as we manufacture, but if there is any likelihood of such legislation being enacted we should esteem it a favor if you would kindly inform us.

Our Bridgeport mills are in full operation, giving employment to a great many hands and, we believe, at a fair rate of wages, and our particular industry is one that in our opinion certainly requires the present tariff.

The shirt business is not a trust, but is conducted by a great many independent manufacturers all over this country; and the result is that the average American citizen can buy, ready made, a far better shirt, and at a very moderate price, than ever before in this country.

Senator Bulkeley wrote us last September as to our views, which we gave him in the letter of which I inclose copy. This letter shows how we look at the question, and we will not take up your time by going into the matter any further.

We should like to say, in closing, that the cost of labor on such goods as we manufacture is very large, and is practically the main cost, so that anything that tends to reduce the rate of wages paid would be extremely harmful, we think, to the many people who now make their livelihood in our industry.

Thanking you for your attention, and for a reply at your convenience, I remain,

Very truly, yours,

HUTCHINSON, PIERCE & Co.,
GEORGE S. BROWN, *President.*

NEW YORK, *September 4, 1908.*

Hon. MORGAN G. BULKELEY, U. S. S.,

Hartford, Conn.

DEAR SENATOR: In reply to your circular would say that the many questions you ask, if answered properly, would not have the attention they deserve in the small space given, and they are too far-reaching in their results for us to attempt to answer them offhand.

We think the prime factor in all tariff discussions should be carefully considered, and that is, the great difference in wages paid in Europe and in this country. If the employees in this country would be willing to work for the same schedule of wages paid abroad, we think that most manufacturers would be perfectly willing to have the entire tariff abolished, as far as their interest is concerned.

We are not only employers of labor, but we are also purchasers of material that we use in manufacturing our garments, and as we purchase both at home and abroad, we are in a position to know something about the values of certain fabrics in both countries, and we say, unhesitatingly, that if the tariff was materially reduced on certain grades of woven fabrics the imported fabrics would certainly either drive out the domestic to a large extent or else compel the

American manufacturers to reduce their labor scale to the wages paid abroad.

We do think that if any revision of the tariff is made it should be made by those who are familiar with the lines upon which the tariff revision is talked of, and that it should not be revised by those who are not familiar with both sides of the question. The writer thinks that one indisputable fact remains, and, of course, it might be said that it is a selfish way to look at it, but most people are selfish, and most countries are selfish, as far as their own interests are concerned, and it is certainly an undisputed fact that a vast majority of citizens in the United States have enjoyed greater prosperity and have earned more money as a whole under the protective tariff than at any other time in the history of this country.

Very truly, yours,

HUTCHINSON, PIERCE & Co.,
GEORGE S. BROWN, *President*.

COTTON CORDAGE.

[Paragraph 320.]

THE SAMSON CORDAGE WORKS, BOSTON, MASS., SUGGESTS A REDUCTION IN THE PRESENT DUTY ON COTTON CORDAGE.

BOSTON, MASS., *November 28, 1908.*

HON. SERENO E. PAYNE,

Chairman Ways and Means Committee,

Washington, D. C.

DEAR SIR: In accordance with the suggestion from the American Protective Tariff League, we submit to you the following facts with regard to the cotton-cordage tariff. The Dingley tariff, Schedule I, paragraph 320, makes the duty 45 per cent. The duty on cotton cordage into Canada is 25 per cent. Either rate is prohibitive. We would be equally willing to have the United States duty reduced to 25 per cent, to be like the Canadian duty, or to have no duty at all either way. There is to-day only one mill in Canada making exactly the same class of goods that we do and they supply the whole of the Canadian trade, but we need no protection against them if we have equal rights in their market.

A much more moderate tariff than the present one would protect us against cheap English or German competition.

Yours, very truly,

SAMSON CORDAGE WORKS,
HERBERT G. PRATT, *Treasurer*.

COTTON SMALL WARES.

[Paragraph 320.]

**THE FLETCHER MANUFACTURING COMPANY, PROVIDENCE, R. I.,
ASKS RETENTION OF PRESENT DUTIES ON SPINDLE BANDING,
WICKING, AND LACINGS.**

PROVIDENCE, R. I., *November 19, 1908.*

HON. SERENO E. PAYNE,

*Chairman Ways and Means Committee,**Washington, D. C.*

DEAR SIR: AS manufacturers of cotton small wares, i. e., boot, shoe, and corset lacings, lamp and stove wicks, tapes, and webbings, we beg leave to state our position as to the revision of paragraph 320, Schedule I. Our records show that under the present tariff law wages have steadily risen, while our selling prices have shown a steadily declining tendency. There is no trust or combination among the manufacturers of the above goods, and from the nature of the business it is difficult to see how one could be formed. In a broad way the effect of the present paragraph is to prevent the importation of coarse goods, while allowing fine goods to be freely brought in, chiefly from Germany, where the rate of wages is about one-third of our scale.

We do not ask for any protection which guarantees us a profit, but we do ask protection against the low wages of continental Europe. Should the tariff on our goods be reduced materially, there is only one way in which we could meet the situation, and that is by making a corresponding cut in our wage scale. The average profit for the last ten years on our goods has been less than 10 per cent, and we believe that no reasonable man will say that this is excessive.

Specifically, we urge that the tariff on spindle banding, woven, braided, or twisted lamp, stove, and candle wicking, made of cotton or other vegetable fiber, be left as in the present law, viz, 10 cents per pound and 15 per cent ad valorem, as under this rate goods can be imported at a profit whenever our domestic prices advance beyond a certain point.

We also urge that the tariff on boot, shoe, and corset lacings, made of cotton or other vegetable fiber, be left as in the present law, viz, 25 cents per pound and 15 per cent ad valorem. As stated above, this rate of duty allows the free importation of fine goods.

In conclusion, allow us to repeat that in this industry at least the tariff is just a question of wages, and if you cut down the tariff materially a reduction in wages must inevitably follow.

Very respectfully, yours,

FLETCHER MANUFACTURING CO.,
J. O. AMES, *Secretary.*

THE NASHAWANNUCK MANUFACTURING COMPANY, EASTHAMPTON, MASS., PETITIONS THAT THERE BE NO REDUCTION OF DUTY ON ELASTIC WEBBING AND SUSPENDERS.

EASTHAMPTON, MASS.,
November 28, 1908.

HON. JOHN DALZELL, M. C.,

Ways and Means Committee, Washington, D. C.

DEAR SIR: The Nashawannuck Manufacturing Company, of Easthampton, Mass., employing upward of 700 men and women in the manufacture of elastic webbing and suspenders, respectfully protests against any reduction of duty on suspenders and elastic webbings, for the following reasons: Even under the present tariff many thousands of dozens of suspenders are annually imported from France, where the labor of manufacture is only a small part of what it is here, and with the duty removed or lowered we should be obliged to abandon the manufacture of the so-called "French Model," or "Guyot," suspender. The competition among American manufacturers is keen and even excessive, and to induce more competition from abroad would be fatal to this part of our industry. Please bear in mind that we are barred from buying cotton yarns, rubber thread, and other materials in the cheapest market by the duties on those materials, and this fact, in connection with the wages which our employees are paid, necessitates the present duty or more on the articles referred to.

Very respectfully, yours,

NASHAWANNUCK MFG. Co.,
G. B. NOBLE, *Treasurer.*

VARIOUS AMERICAN MANUFACTURERS OF ELASTIC WEBBINGS, SUSPENDERS, GARTERS, AND OTHER NARROW FABRICS, ASK RETENTION OF PRESENT DUTY.

EASTHAMPTON, MASS., November 30, 1908.

HON. SERENO E. PAYNE,

*Chairman of the Ways and Means Committee,
Washington, D. C.*

DEAR SIR: As general manager of one of the largest manufactories of elastic webs in the United States, I desire to lay before your honorable committee the following reasons why the tariff on such goods should not be lowered in any particular.

In doing so I would state in the first place the nature of the goods manufactured: Elastic gorings, beltings, suspender and garter webs, cords, and braids. These are goods composed of india-rubber thread, silk, cotton, mercerized and glazed yarns. These manufactures are covered by Schedule I, paragraph 320, of the tariff law of 1897.

In the second place, as there is nothing in the nature of a combine or trust among the manufacturers of this class of goods, but, on the contrary, keen competition among them, I am unable to give even an approximate estimate of their production in the United States. It is, however, unquestionably very large. Judging from the three companies operating in this town, the capital employed in the industry must be many millions and gives employment to a large number of operatives. These operatives are earning good wages, and

any reduction of duty would certainly be very injurious to them, as we already have a very strenuous competition with imported goods, the product of the very much cheaper labor of European manufacturers.

Having spent about six months during the last three summers in England, I devoted some attention to the difference that prevails in the conditions of manufacturing elastic fabrics there as compared with the United States. At least 80 per cent of the employees in the elastic-web manufacturing industries of the United States are adults and all of them earn good wages, while, on the other hand, most of the operatives in England are young persons, from 12 to 18 years of age—boys and girls. For each shilling they earn our employees earn a dollar. In many cases the fathers of the young persons who were at work in these industries were out of employment, and I would respectfully beg you to protect the American fathers and mothers from such a condition. We do not desire to give preference to young persons as employees over adults, and we trust that you will, in your wisdom, protect us from such a necessity.

It is not necessary for me to remind you that the yarns that they use are very much lower in cost than what we have to pay; in fact, we have had to import at various times many hundred thousand pounds of yarn from England to use in our manufacturing. The English web manufacturers can buy it less the duty on cotton yarn and the transit. Even if we could employ the cheap labor above referred to, we would still be unable to compete with England because of the duty we pay on imported yarn. What is more desirable and what we will pay with pleasure is a price for American yarns that will enable American spinners to pay American wages.

Confidently believing that, in the interest of the working people, you will do justice, I am,

Very respectfully,

GEO. ASTILL, *General Manager.*

PHILADELPHIA, November 28, 1908.

HON. SERENO E. PAYNE,

*Chairman Committee on Ways and Means,
House of Representatives, Washington, D. C.*

DEAR SIR: We are producing annually about 7,000,000 pairs suspenders and garters, and are interested in Schedule I, paragraphs 320 and 371, of our present tariff. Ten years ago we were buying foreign fabrics quite freely, and foreign-made suspenders and garters were imported into this country freely. Under the protection which we now enjoy our purchases on foreign fabrics have been reduced to a point where they are practically nil, and likewise imports of foreign-made suspenders and garters have been reduced to a minimum. We are exporting suspenders and garters made from American fabrics to almost every part of the world.

The object of this letter is to request your committee to give consideration to these facts. Our business has trebled in the last ten years and is steadily expanding, giving employment to many hundreds of employees and producing daily sales of \$5,000.

We use leather in large quantities and would favor free hides.

Yours, truly,

PIONEER SUSPENDER COMPANY,
FRANK A. FREEMAN.

EASTHAMPTON, MASS., *December 1, 1908.*

HON. SERENO E. PAYNE,

Chairman of the Ways and Means Committee,

Washington, D. C.

MY DEAR SIR: As you invite information, will say I have been in the elastic manufacturing business forty-three years, twenty-two years of this time for myself.

I hope the tariff on elastic webs, cords, and braids will not be decreased, as we have a large stock of goods, as well as idle looms and braidiers, even as it is now.

The largest trade import a large part of their goods, and we have more risk with high-priced help working fifty-eight hours per week.

The goods are perishable and the life of rubber uncertain; so it is an anxious business and should have all the protection possible.

Yours, very truly,

GEO. S. COLTON.

**THE ANSONIA (CONN.) O. & C. COMPANY URGES RETENTION OF
PRESENT DUTIES ON COTTON SMALL WARES.**

ANSONIA, CONN., *December 19, 1908.*

HON. EBENEZER J. HILL, M. C.,

Ways and Means Committee, Washington, D. C.

DEAR SIR: As manufacturers of elastic webbing, beltings, lamp wicks, boot, shoe, and corset lacings, elastic cords, tapes, etc., we desire briefly to state our position regarding any possible revision of the present tariff on these goods, now covered by Schedule I, paragraph 320; also Schedule L, paragraph 389.

Under the present tariff considerable quantities of the fine grades of goods are imported; consequently domestic production is confined chiefly to the coarse and cheaper grades.

Labor is a very large factor in the cheaper grades, and our domestic labor is double, and in some operations treble, that of foreign countries.

Any reduction in tariff would mean a corresponding reduction in wages or disaster to the industry here.

There is no trust, combination, or price agreement of any kind between domestic manufacturers of any of these goods, and, owing to peculiar conditions, none is practical.

Competition is keen and profits are small, running from 5 to 10 per cent, according to conditions. More specific information and detailed facts will be furnished if desired.

We strongly advise that no change be made in the present tariff on any of the above-mentioned goods.

Yours, truly,

THE ANSONIA O. & C. Co.,
A. T. TERRELL, *Secretary.*

STATEMENT OF J. ARTHUR ADAMSON, COLUMBIA AND GERMAN-TOWN AVENUES, PHILADELPHIA, PA., RELATIVE TO CLASSIFICATION OF COTTON NARROW FABRICS.

TUESDAY, *December 1, 1908.*

Mr. ADAMSON. I would like to say that the people I represent are interested in the cotton and silk schedules, and slightly in the wool. The only change we are asking for is a slight change in the cotton paragraph. If it be more to our interest to put in our petition when you are calling upon the cotton people, I would like to do it at that time.

The CHAIRMAN. Perhaps you had better wait for the cotton schedule, Mr. Adamson.

Mr. ADAMSON. I would be very glad indeed to hand it in, and will only state that we represent the weaving interests, which has more labor and less material than any weaving interest in existence; that we are handicapped by high prices, high skill, and we respectfully submit that we get such consideration, gentlemen, as our large proportion of skill would entitle us to. And rather than take up any more of your time I will ask permission to present this matter in this form.

(Following petition was filed by Mr. Adamson:)

HON. SERENO E. PAYNE,

Chairman Ways and Means Committee,

House of Representatives, Washington, D. C.

In appearing before you to advocate the interests of the narrow-fabric manufacturers, embraced in paragraphs 320, 322, 335, 336, 339, 371, and 389 of the present tariff, we represent that part of the weaving interests that is most vulnerable to foreign competition. Without a protecting tariff every narrow-fabric mill in the country would be closed and would remain closed until poverty and hunger had forced those operatives who could not secure remunerative employment in more fortunately situated industries to accept the standard wages of foreign weavers, with its consequent privations. The files of the State Department, which contain the reports of our resident consuls and special consular agents, and the statistics of the Bureau of Manufactures, connected with the same Department, are eloquent in their cold, hard details, as they show the constant struggle of the foreign operative for what Americans consider barely sufficient to keep life in the body.

There is no exportation of narrow fabrics from this country. The importations from foreign countries are so varied and under so many classifications that it is difficult to ascertain their exact amount, but \$20,000,000 would be an underestimated amount of importations classed in paragraphs 320, 322, 335, 336, 339, 371, and 389. As less than \$6,000,000 of this \$20,000,000 is comprised in raw materials, it can be easily appreciated what benefit to the citizens of the United States would be the remaining \$14,000,000 if distributed among them in return for their labor.

The wages paid for weaving these narrow fabrics are higher than those paid for weaving any class of textile goods. Of the weavers the majority are women, and their weekly wages vary from \$7 to \$18

per week, according to the skill of the weaver and the product that is woven. The higher price mentioned above is not unusual for those employed on fine and costly materials, and upon the poorest and cheapest goods a woman who does not earn \$7 per week is not considered a desirable operative.

Of all woven fabrics, ribbons, bindings, and webbings have the largest proportion of labor as an item of cost. As an illustration: One square yard of corset jean can to-day be purchased for 6 cents. Exactly the same yarn, identical in size—that is, length and weight, with the same amount of picks to the inch—if made into No. 2 stay binding, would cost at the mill, with no expense for selling, more than 18 cents.

This is not an exaggerated or unusual comparison. Corset jeans similar to the above-mentioned class are in constant use, and there is not a manufacturer of stay bindings who is not at all times making and selling the size of tape above mentioned. As stated, the weight of these two pieces of plain cloth is the same. The only difference is that the corset jean is 1 yard long and 36 inches wide and the No. 2 stay binding 144 yards long and one-quarter of an inch wide. The difference in cost of the two articles, the yarns from which they are made being identical, is made up by the greater amount of labor and the more skill of the weaver employed on the narrow fabrics and the greater cost of manufacturing, known as the "burden rate," i. e., the interest on cost of mill and machinery, together with the expense of maintenance and superintendence.

The primary and practically sole object of a protective tariff is to provide remunerative wages to those engaged in the production of the article made and who are principally those performing the manual labor. It is also logical and right that when labor is to be protected those occupations that require the longest training should receive the most protection, and those manufactured articles that have the smallest proportion of raw materials and largest proportion of labor need the highest rate of duties.

The percentage of labor in weaving all narrow fabrics such as are referred to and included in paragraphs 320, 322, 335, 336, 339, 371, and 389, as stated before, have so small a percentage of material and so large a percentage of labor that it is remarkable that the industry in this country has been able to maintain itself against the low cost of foreign countries. Any reduction of the present duties on these goods must be followed either by a curtailment of domestic production, with a corresponding idleness of home labor, with the incidental depreciation of plant which is represented by machinery and buildings, or by a reduction in the wages paid to the laborer. The manufacturing of narrow woven or braided goods has never been an occupation that would attract the manufacturer who expected great wealth. The business, which is centuries old, has practically been in existence in this country less than fifty years. These goods are of so slow production that a large output by any one concern is out of the probabilities, the outlay for the plant being so large in proportion to the value of the production.

On the other hand, as there is frequently an opportunity for the exercise of ingenuity, the trade offers inducements to men of small means who, with some technical knowledge and an inventive mind,

are able to produce some of its numerous and varied articles to better advantage than had previously been possible; small factories are constantly being started to make some special class of goods in which the projector considers he has special knowledge of facilities.

The present duties on these goods when made from cotton is 45 per cent; from silk or linen, 50 per cent. It will be noticed that this is about the duties that are now placed upon articles "not especially provided for." The effect of these duties has been that the domestic manufacturer has been able to control for himself the domestic market for most of the low-priced goods, and those that have the largest proportion of material and the least of labor. There are, however, many classes of goods in which the domestic manufacturer is to-day unable to compete with his foreign rival.

The most important articles in this class are those goods made from fine yarns that have been subject to special processes that largely enhance their value and which the domestic manufacturer is compelled to import at a high duty.

In some cases, notably in finished threads that come under the classification of spool cotton, the duty on the yarns is higher than upon the finished goods containing the same.

When it is considered that a cotton or silk ribbon weaver at Basel or St. Etienne will not average 20 francs per week, and at Philadelphia or Paterson she will receive \$10 for the same number of days; that a day's work here is nine hours, and there is from ten to twelve hours per day, it is easy to appreciate the difficulty that confronts the home manufacturer when he has to pay a larger rate of duty on his raw materials than is imposed upon the importation of his foreign competitors' finished product, and also how the district of Etienne exported during the year of 1907 more than 8,000,000 of silk and cotton goods, the greater part of which came to the United States.

In paragraph 371, representing webbings, bindings, and so forth, made from wool, we have a protective duty of 60 per cent ad valorem, and in addition a specific duty of 50 cents per pound to compensate for the tariff on the raw material.

In paragraph 339, comprising those cotton or flax narrow fabrics to which an additional value has been added to the woven goods by embroidering or similar additional process, the duty is raised an additional 15 per cent, making it 60 per cent ad valorem.

These two additions have worked well, and the domestic manufacturer has been enabled to produce many articles that are embraced in these paragraphs.

We are now here to urge you to include a similar clause in paragraph 320, referring to bindings, etc., made from cotton or other vegetable fiber, which shall read "but when any of the foregoing articles are made from yarns that have been mercerized, calandered, or polished previous to the weaving, one-eighth of a cent a yard and 50 per cent ad valorem.

The above additional clause would enable the American manufacturer to make a class of goods that are now imported—one that every enterprising manufacturer has exerted the best of his resources and ability to produce and in most cases has been compelled to abandon with nothing to show for his efforts but an added experience and some loss.

In closing our petition against any reduction from the present rate of duties in paragraphs 320, 322, 335, 336, 339, 371, and 389, we would call your committee's attention to the general principle of tariff protection in the United States.

While the protective tariff has provided for the owner or operator of a textile mill an opportunity to employ his money and his labor in a line or occupation that would not have been available to him, it has not added largely to his profits. During 1907 the textile manufacturers of Great Britain, and especially the web and binding manufacturers, made as large a percentage of profit as was made by those of the United States; also, more large fortunes have been made in the textile business in England than in the United States.

On the other hand, notwithstanding the comparatively luxurious living of the American operative, the accumulated savings, represented in houses, building societies, and bank deposits, held by the working classes of Philadelphia is many times more than the accumulations of the workers of Manchester, England.

In this country it has always been that the advantage of high prices in production has gone to the men or women who work with their hands.

In England, while the banker who loans money does it at a lower rate of interest than the American banker can afford, the operator, whether corporation or individual, who invests in an industrial plant expects the same return as we do here. Lower prices there only mean less comfort for the man or woman who works at the loom.

Respectfully submitted.

J. ARTHUR ADAMSON.

**THE BLACKSTONE WEBBING COMPANY, PAWTUCKET, R. I., ASKS
RETENTION OF PRESENT DUTY ON NARROW FABRICS.**

PAWTUCKET, R. I., *December 4, 1908.*

HON. SERENO E. PAYNE,

*Chairman of the Ways and Means Committee,
Washington, D. C.*

DEAR SIR: We understand that your committee will soon be taking up the consideration of "narrow cotton fabrics," as referred to in Schedule I, cotton manufactures, paragraph No. 320, as "Bandings, beltings, bindings, bone casings, cords, garters, lining for bicycle tires, ribbons, suspenders and braces, tapes, tubing, and webs or webbing, etc." We would bring to your attention that even under the present schedule of tariff duties on this class of goods we are in sharp competition with foreign-made goods, owing very largely to the much lower cost of cotton yarns made in foreign countries.

We find on referring to schedules and data in hand that the wages our American manufacturers are paying for making this class of fabric is considerably higher than that paid in foreign countries; and in order that we may maintain the present wages and compete satisfactorily, allowing for a fair manufacturing profit, we would respectfully request that there be no reduction on articles of cotton manufacture as mentioned in Schedule I, paragraph No. 320.

Should you require further data on this subject substantiating the above claim we would be pleased to hear from you.

Very truly, yours,

BLACKSTONE WEBBING COMPANY,
L. W. BISHOP, *Treasurer*.

**L. D. THAYER MANUFACTURING COMPANY, WORCESTER, MASS.,
SUGGESTS A SPECIFIC DUTY, PER POUND, ON NARROW COTTON
FABRICS AND SMALL WARES.**

WORCESTER, MASS., *December 1, 1908.*

HON. SERENO E. PAYNE,

Chairman of Ways and Means Committee,

Washington, D. C.:

Regarding rates of duty for articles mentioned in Schedule I, cotton manufactures, paragraph 320, on beadings, beltings, bindings, bone casings, ribbons, etc., we would say that our trouble is not so much with the rate of duty as with the value placed on the goods when entered at the custom-house.

The goods are seldom, if ever, entered twice alike as to quality, style numbers, etc., and hence it is next to impossible to prove absolutely that they have been undervalued. Now, we have to use imported cotton yarns to manufacture our goods. You well know the duty on them can in no way be evaded, and the duty is 20 cents to 25 cents per pound on them, as we use 80/2 to 100/2. The imported articles pay nothing on cotton yarns after being made into goods. The goods come in under the ad valorem plan, and here is where we suffer, because goods, for instance, which can not be bought anywhere in the world at a less rate than \$1.50 for a given quantity may be entered as of the value of \$1. The duty assessed and paid would be only two-thirds the amount specified; hence the 50 per cent schedule would only net 33½ per cent, and the saving on the above cost of yarns would be about 15 per cent gain to the manufacturing importer, and all but 2 per cent of the tariff protection has disappeared.

Our suspicions rest mainly against one house, one of whose partners resides in England, and who buys the goods and bills them to the New York house, in which he is interested, from his firm in England, and it is plain to see that as they never part with the ownership till after duties are paid that a very strong reason exists why the lowest possible valuation should be made on the goods for the assessment of duty to be made.

We would suggest a specific duty per pound to be on these goods, and an ad valorem rate besides, so as to make the yarns entering into the goods cost both domestic manufacturer and importer just alike, and have the minimum specific duty 25 cents per pound.

Very respectfully,

L. D. THAYER MANUFACTURING Co.,
By L. D. THAYER, *Treasurer*.

TYPEWRITER RIBBONS.

[Paragraph 320.]

THE MORTON MILLS, PATERSON, N. J., ASK A MATERIAL INCREASE IN THE DUTY ON TYPEWRITER RIBBONS.

PATERSON, N. J., *November 28, 1908.*

HON. SERENO PAYNE, M. C.,
Chairman Ways and Means Committee,
Washington, D. C.

DEAR SIR: The attention of your committee is respectfully invited to the fact that the present duty on cotton yarns used in the manufacture of woven edge tapes for typewriter ribbons is, at the present time, three-tenths of a cent per pound number, or approximately 40 per cent of the invoiced valuation, while the duty on the manufactured article is 45 per cent ad valorem. Thus you will see that the duty on the raw material is practically the same as that on the manufactured article, which must be made of imported yarns. This makes the production of this fabric in this country very difficult at the American standard of labor cost.

This company is now operating a small plant for weaving typewriter ribbons, and now purposes to extend same if adequate protection can be afforded our enterprise. This is a new venture in this country and a large demand has been supplied entirely by the foreign manufacturer, although the consumption of this particular article is greater in the United States than in any other country in the world.

We therefore submit for your consideration the above facts and ask that they be given attention, with the view of extending to this new industry in America the protection necessary for a healthy growth. We would therefore request that a duty of 35 per cent over and above the present specific duty on yarn be levied on imported typewriter ribbons.

Yours, very truly,

THE MORTON MILLS,
By H. E. DANNER.

THE MORTON MILLS, NEW YORK CITY, ASK A SPECIFIC CLASSIFICATION FOR TYPEWRITER RIBBONS.

NEW YORK CITY, *January 5, 1909.*

COMMITTEE ON WAYS AND MEANS,
Washington, D. C.

GENTLEMEN: We desire to submit a brief statement in favor of a separate classification for ribbons or tapes for use on typewriter machines. These ribbons are now classified under paragraph 320 of the act of 1897 at 45 per cent ad valorem. We believe that greater justice would be done to the American manufacturer by imposing a specific duty on these ribbons at the rate of not less than 75 cents per hundred yards lineal measure, with the proviso that the duty should not be less in any case than 60 per cent ad valorem.

The highest grade of 2-ply yarns is used in the manufacture of typewriter tapes or ribbons. The number of the yarns used is usually 140s, 160s, or 180s. The average ad valorem rates on these yarns, as shown by the Treasury computations for 1908, were, in the case of—

	Per cent.
No. 140 yarns.....	32.44
No. 160 yarns.....	30.03
No. 180 yarns.....	27.64

Practically none of these yarns are made in this country, and it is always difficult to obtain the proper quality, even in foreign countries.

The manufacture of ribbons or tapes for typewriting machines is a new industry in this country. It requires very high skill in weaving, as it is necessary that the finished product should be absolutely smooth and free from imperfections. This new industry has acquired special importance of late, because the latest style of typewriting machines requires what is known as a woven-edge ribbon. Formerly the old style of machines used a ribbon that was manufactured from cloth cut into strips and gummed on the edges. The new style requires a much narrower ribbon, which makes it necessary to have a woven selvage. This requires a careful weaving by high-grade operators, earning \$13.50 a week, against which the European operator is only paid about 80 cents a day.

This corporation is now operating a manufacturing plant in Paterson, N. J., for the weaving of this article, and the industry will be extended in this country if an equitable protection can be afforded. The consumption of this article is far greater here than in any country in the world.

It is obvious that the associating of such a high-grade product as typewriter ribbons with various cheaper and less advanced articles at a uniform rate of 45 per cent does not afford an equitable degree of protection throughout the schedule. Very coarse, cheap tapes made from domestic yarns, requiring a low grade of help, and permitting machines to run at high speed, are protected by this uniform duty.

As typewriter ribbons are susceptible of very different valuations, we ask specific duty by linear measurement with only a proviso ad valorem in order to secure an even distribution of the duty. The duty on high-grade yarns used in the manufacture of these tapes is a specific duty and is rendered high in proportion or in ad valorem equivalent whenever there is a decline in the value of the yarns, and on the other hand, the duty levied on the manufactured article on the ad valorem basis declines with the fall in the value of the product. Hence under the existing schedule it has been necessary to contend with a rising duty on materials and a declining duty on the finished product.

We think it needs no argument to show that this condition should be corrected and that the manufacture of these tapes, which are now coming into extensive use, should be given the same protection as other American industries.

Yours, very respectfully,

THE MORTON MILLS,
MORTON WHITMAN, *President*.

BELTING AND PRESS CLOTH.

[Paragraphs 322, 366, 371, and 431.]

**THE SCANDINAVIA BELTING CO. WRITES RELATIVE TO COTTON
AND CAMEL'S HAIR BELTING AND PRESS CLOTH.**BOSTON, MASS., *December 15, 1908.*

HON. SERENO E. PAYNE,

*Chairman of the Ways and Means Committee,**Washington, D. C.*

MY DEAR SIR: We would respectfully call your attention to what is an unfairness under the existing tariff, namely:

SOLID WOVEN COTTON BELTING.

These belts are used for conveying and transmission, and pay a duty of 45 per cent ad valorem as manufactures of cotton, paragraph 322. In fact, the duty on solid woven cotton belting is as high as the duty on cotton cloth. This places cotton belting, which is a coarse material and which can not be used for anything except in manufacturing, as stated above, for transmission or conveying, on a higher duty than ordinary low-quality cotton goods.

Cotton belting should come under practically the lowest duty of manufactures of cotton.

Cotton belting is not a luxury, but an article which is used in manufacturing other goods.

The duties upon and classifications of the following goods make the importation thereof absolutely prohibitive.

CAMEL'S-HAIR BELTING.

Camel's-hair belting is used for the same purpose as leather, stitched canvas, "Scandinavia" solid woven, or rubber belts, namely, for transmission and conveying, and is really a belt that is much desired by the paper manufacturers of the country. It is classified as dress goods under paragraph 371.

CAMEL'S-HAIR PRESS CLOTH.

Camel's-hair press cloth is also classified as dress goods. Press cloth is used for pressing cotton seed for oil, chocolate, sugar, etc., and is used entirely in manufacturing, and it should therefore not be classed as dress goods.

This pays a duty of 44 cents per pound and 55 per cent ad valorem, under paragraph 366. If the goods are composed of cattle hair, they are dutiable at 20 cents per square yard under paragraph 431—this under the report of appraisers at New York. The appraisers of Philadelphia write—the duty is assessed under paragraph 366—that if valued under 40 cents, at 33 cents per pound and 50 per cent ad valorem; if between 49 cents and 70 cents per pound, 44 cents per pound and 50 per cent ad valorem; if 70 cents per pound, 44 cents per pound and 55 per cent ad valorem.

Camel's-hair press cloth should be classified under paragraph 431 the same as cattle-hair press cloth.

Our objections are contained in the fact that these goods, which are coarse goods and used only in manufacturing, should be classified as dress goods and put at such a high duty.

The duty on camel's-hair press cloth and camel's-hair belting is absolutely prohibitive, and although these are things which are needed in the country they can not be imported. Cheaper goods sold as camel's-hair press cloth and camel's-hair belting are, we understand, sold under the name of camel's hair, although not composed of camel's hair but of cattle hair, and come in at 20 cents per square yard under paragraph 431.

What manufacturers need and desire they can not obtain under these circumstances, nor does the Government obtain any revenue whatsoever from true camel's-hair belting or true camel's-hair press cloth, because these goods can not be imported on account of the prohibitive duty.

All of the foregoing goods are manufactured in England.

Under separate cover we are mailing samples of goods above mentioned.

Respectfully submitted.

THE SCANDINAVIA BELTING CO.,
GEO. WATSON BEACH, *Treasurer.*

COTTON SHOE LACES AND BRAIDS.

[Paragraph 320.]

THE JENKINS MANUFACTURING COMPANY, BOSTON, MASS., OBJECTS TO ANY REDUCTION OF DUTY ON LACES AND BRAIDS.

506-510 ALBANY BUILDING, LINCOLN STREET,
Boston, December 28, 1908.

The Hon. S. E. PAYNE,
Chairman of the Ways and Means Committee,
Washington, D. C.

DEAR SIR: As manufacturers of cotton shoe laces and braids, we beg leave to state our position as to the revision of paragraph 320, Schedule I. Our records show that under the present tariff law wages have steadily risen, while our selling prices have shown a steadily declining tendency. There is no trust or combination among the manufacturers of the above goods nor is there ever likely to be. In a broad way, the effect of the present paragraph is to prevent the importation of coarse goods while allowing fine goods to be freely brought in, chiefly from Germany, where the rate of wages is but one-third of our scale.

We do not ask for any protection which guarantees us a profit, but we do ask for protection against the low wages of continental Europe. The only way in which we could meet a reduction of the tariff on these goods would be by making a corresponding cut in our wage scale.

Our books show an average profit for the last ten years of less than 10 per cent on our goods, which is certainly not excessive. We wish,

therefore, to urge that the tariff on shoe laces or braids made of cotton or other vegetable fiber be left as in the present law.

We wish to make it clear to you that in this industry, at least, manufacturing is not sufficiently profitable under the present tariff to allow of any reduction, and as to our meeting such reduction through a cut in wages, that would probably prove impossible, and we should simply have to go out of business.

Hoping you will bring this to the attention of the committee, we remain,

Yours, very truly,

JENKINS MFG. CO.,
WM. H. GRAY, Jr.,
President.

COTTON DAMASK.

[Paragraph 321.]

STATEMENT OF JOHN L. PATTERSON, SECRETARY AND MANAGER OF THE ROSEMARY MANUFACTURING COMPANY, OF ROANOKE RAPIDS, N. C., RELATIVE TO COTTON DAMASK.

TUESDAY, *December 1, 1908.*

The CHAIRMAN. Where do you reside, Mr. Patterson?

Mr. PATTERSON. I reside at Roanoke Rapids. It is on the Roanoke River.

The CHAIRMAN. On what part of the schedule do you desire to speak?

Mr. PATTERSON. I desire to call the attention of the committee to section 321 on cotton damask. It is the first part of section 321 relating to cotton damask.

The first part of section No. 321, Schedule I, of the tariff laws of 1897, reads as follows: "Cotton table damask, 40 per cent ad valorem."

At the time this tariff was drafted the only character of cotton damask imported into this country consisted of what is known as plain bleached and colored damask. These grades of damask are still being imported into this country in large quantities, notwithstanding the 40 per cent ad valorem duty.

We distinctly do not ask for an increase of the tariff rate on these particular qualities of damask, but do ask that the present existing rate remain as it is. This 40 per cent ad valorem duty is absolutely necessary in order to insure to the American manufacturer of cotton damask a reasonable and just return on his investment.

That the present duty on damask is not excessive is shown by the fact that fully 25 per cent of all the cotton damask consumed in the United States is of foreign manufacture.

We further ask that the first part of section 321 of Schedule I be made more specific, and suggest that it be changed to read as follows: "Plain bleached, and colored cotton damask, 40 per cent ad valorem."

Since the present tariff was drafted an entirely new quality of cotton damask has made its appearance in the form of mercerized cotton damask. In the manufacture of this quality of damask finer counts of yarns have been used and the goods made to count higher—that

is, there have been put more threads to the inch in these goods than in previous grades of cotton damask. On account of the finer construction of these goods the amount of raw material, based upon a dollar's valuation of the goods, has been reduced and the labor costs have been largely increased. As the labor cost in the manufacture of cotton fabrics is the chief advantage which the foreign manufacturer has over the American manufacturer, we claim that this particular quality of cotton damask should have a separate classification, with a slightly higher duty than the cheaper grades of cotton damask.

In the other sections of Schedule I you will notice there is a rising schedule of duties corresponding to the fineness of the fabrics enumerated. In other words, when the fabric shows a decrease in the cost for raw material and an increase in labor cost it has been justly given a higher duty.

By referring to section 306 of Schedule I, we wish to make a comparison between the standard print cloths, which are the basis of value for all cotton goods in this country, and mercerized damask as it is being made to-day. The average grades of mercerized damask fit in the class of the print cloths which carry a duty of 2 cents per square yard, which duty when reduced to an ad valorem basis on to-day's values approximates very closely a duty of 50 per cent ad valorem. This being a fact, and considering that the mercerized damask has to stand an additional labor cost of bleaching and mercerizing over the print cloths, we claim that they should have, and justly deserve, the same ad valorem duty as goods of similar construction under other sections of Schedule I.

If section 321 had been properly worded when the present tariff was drafted, the class of mercerized damask would have immediately gone into the "not otherwise specified" class of goods covered by section 322, which carries an ad valorem duty of 45 per cent.

We therefore ask that section 321 be made more specific, as outlined above, and the duty be allowed to remain as it is.

We further ask that a new classification be awarded mercerized damask and a duty of 50 per cent, and certainly not less than 45 per cent, ad valorem be given this particular grade of cotton damask, which, according to the nature of its construction and finish, is entitled to a higher duty than the lower grades of cotton damask.

MR. UNDERWOOD. You state that in the general run under this paragraph that 25 per cent of the cotton damask is imported into this country?

MR. PATTERSON. Yes, sir.

MR. UNDERWOOD. And therefore it pays a revenue to that extent?

MR. PATTERSON. The figures show that it paid last year a revenue of \$208,000.

MR. UNDERWOOD. Now, as to this mercerized cotton damask, how much is imported and how much is made here?

MR. PATTERSON. There has been more imported than has been made here. This is a new business in this country.

MR. UNDERWOOD. Over 50 per cent of the trade is the imported article, is it?

MR. PATTERSON. No; I would not say that.

MR. UNDERWOOD. Did you say there was more imported than was made here?

MR. PATTERSON. There has been up to the present time.

Mr. UNDERWOOD. To what extent?

Mr. PATTERSON. I do not know; I imagine it has possibly been reduced to between 30 and 40 per cent at the present time. We are the pioneer manufacturers, with the exception of a few looms in Philadelphia, of mercerized damask in this country, and it has been a hard, uphill business to compete with foreigners.

Mr. UNDERWOOD. How much more labor is there in the mercerized damask than in the ordinary business?

Mr. PATTERSON. Where the other goods cost 4 cents a pound these goods will cost about 8 cents a pound to finish.

Mr. UNDERWOOD. A difference of 4 cents a pound?

Mr. PATTERSON. Yes, sir; in the finish.

Mr. DALZELL. What is the operation of mercerizing?

Mr. PATTERSON. I do not know the exact nature of it; it is the action of a caustic on the fiber of the cotton.

Mr. DALZELL. It is a chemical process, is it?

Mr. PATTERSON. Yes, sir; it is a chemical process. The chief cost entering into the finishing is the labor cost, as the chemicals are comparatively inexpensive.

Mr. GRIGGS. It gives it a silken gloss?

Mr. PATTERSON. Yes, sir; it makes it look like silk. They run it through this caustic, neutralize the caustic with an acid to keep it from deteriorating the value of the product, and then dry it under pressure. The best way in which I can illustrate is: If you take a little rubber band and let it stay lax, it has a dull finish; if you pull it out, it gives it a gloss. So these cotton fibers have a certain amount of elasticity; when treated with this caustic soda they give this high gloss, which looks very much like silk.

Mr. POW. Is that a lasting gloss?

Mr. PATTERSON. It is if the fabric is laundered properly. Starch will kill it very largely and will eventually deaden it to some extent, but if the goods are mercerized properly and are laundered properly, the gloss stays on for a number of years.

AUTOMOBILE TIRE LININGS.

[Paragraph 321.]

THE WEST BOYLSTON MANUFACTURING COMPANY, WORCESTER, MASS., WISHES DUTY FIXED AT FORTY-FIVE PER CENT.

WORCESTER, MASS., *December 21, 1908.*

HON. SERENO E. PAYNE,

*Chairman Committee on Ways and Means,
House of Representatives, Washington, D. C.*

DEAR SIR: At the suggestion of Hon. Charles G. Washburn, Congressman from this district, I am addressing this letter to you.

Under section 320 of the Dingley tariff lining for bicycle tires was made subject to a duty of 45 per cent ad valorem. At the time the Dingley tariff was adopted fabric manufactured from cotton for use on automobile tires had not been made, as of course automobile tires had not been made then. Within recent years, as of course you

are aware, the manufacture of automobile tires has come to be a very large one, and necessarily the manufacture of fabric to be used in automobile tires, similar to fabric called "linings" used in bicycle tires, has become a very considerable industry.

At the present time, as I am informed, fabric for automobile tires is admitted as cotton duck at an ad valorem of 35 per cent under section 321 of the Dingley tariff.

The company of which I am treasurer is a very considerable manufacturer of fabric for automobile tires, and as such is interested in the subject that I am laying before you. I am informed, and have every reason to believe that very considerable quantities of tire duck or fabric for automobile tires is being imported into this country under an ad valorem of 35 per cent which, as the officers of our company see it, is not a sufficiently protective tariff.

This communication is to ask you, and through you, the Committee on Ways and Means of Congress, to fix a duty on fabric for automobile tires at 45 per cent ad valorem, the same rate that is fixed upon lining for bicycle tires.

If your committee desires any further information upon this subject that I can give you, I should be glad to be advised as to what it is, and will furnish the information as fully as possible.

With the highest consideration of respect, I am,

Faithfully, yours,

HENRY F. HARRIS,
Treasurer.

THE WEST BOYLSTON MANUFACTURING COMPANY, WORCESTER, MASS., FILES SUPPLEMENTAL STATEMENT RELATIVE TO AUTOMOBILE TIRE LININGS.

WORCESTER, MASS., *January 16, 1909.*

HON. SERENO E. PAYNE,

*Chairman Committee on Ways and Means,
Washington, D. C.*

DEAR SIR: In connection with the matter of a duty to be placed upon fabrics used in the construction of tires for automobiles, etc., about which I had the honor of addressing you in a communication bearing date of December 22, 1908, I desire to submit for the consideration of the committee some facts which it seems to me may have an important bearing on the subject, and respectfully present the following statement:

The manufacture of fabrics entering into the construction of tires for automobiles had not begun in this country in the year 1897 at the time the Dingley tariff, so called, was adopted by Congress. Pneumatic tires for bicycles and fabrics entering into their construction were made in the United States at that time, and the tariff law of that year placed a duty on "lining for bicycle tires" (meaning fabric used in the construction of such tires) of 45 per cent ad valorem (see par. 320, Dingley tariff of 1897). Fabrics for tires for automobiles, etc., are in the same class with "lining for bicycle tires," but are much heavier and stronger. They are entitled to the same rate of duty as that placed on bicycle-tire lining.

The Committee on Ways and Means of the House of Representatives is requested to substitute in the paragraph that shall replace in the new tariff law paragraph 320 of the old, in lieu of the words "lining for bicycle tires," "tire fabric, or fabric adapted for use in the construction of tires for automobiles, bicycles, motor cycles, or other vehicles," and that the duty on the same be 45 per cent ad valorem, as it is now on "lining for bicycle tires."

Since 1897 considerable importations of automobile tire fabric (so called) have been made into this country, and they have been allowed to come in under paragraph 321 of the Dingley tariff law as cotton duck, subject to a duty of 35 per cent ad valorem, probably because in appearance the fabrics in some respects resemble cotton duck, while as a matter of fact the relation between the two classes of goods practically ends there. The Bureau of Statistics of the Department of Commerce and Labor furnishes the information that for the fiscal year ending June 30, 1908, there was imported 462,360 square yards of "cotton duck," valued at \$175,389.62, or at the rate of 37.6 cents per square yard. Ordinary duck sells at from 19 cents to 23 cents per pound, which brings the average price per square yard to about 20 cents. From the same source it is learned that for the quarter ending September 30, 1908, the importations under the head of "cotton duck" amounted to 225,389 square yards, valued at \$97,254, and for the quarter ending December 31, 1908, the value of the importations under this head was about \$125,000, indicating that the imports of fabric under the head of cotton duck is rapidly increasing. In this connection it is to be noted that in the year 1898, the first under the Dingley tariff, the importations of cotton duck were 26,442 square yards, valued at \$3,101.91, which had increased to only 88,615 square yards, valued at \$15,862, for the year 1907. We have been informed that about nine-tenths of all the so-called "cotton duck" now imported into New York, the main port of entry for this material, is in reality tire fabric, which accounts for the relatively high per square yard valuation gained from the statistics given above.

Fabrics used in the manufacture of tires cost far more to produce than ordinary cotton duck. Such fabric must necessarily be very strong, and with the strength of every part equal to the strength of every other part. The manufacture of this cloth requires especial care and skill, and very much more labor therefore enters into its production than that of ordinary cotton duck. It is, in main, this very element of extra labor that calls for the differentiation of tire fabrics from ordinary cotton ducks in the tariff schedule.

Attention need only be called to the well-known fact that abroad, where the tire fabric is largely made, remuneration of labor is much less than in this country. The cost of the labor in producing tire fabric is more than two and one-half times as much as that used in producing ordinary cotton duck, and to protect this additional labor element the additional tariff asked for is needed. The way in which this additional labor is employed can be briefly shown.

First. More time and labor is involved in the handling of the long stapled sea-land and Egyptian cotton of which tire fabric is made than the short native staple used in ordinary duck, as the long staple requires slower processes and is more easily broken.

Second. Common duck is simply carded and then quickly drawn down to the yarn, a process causing about 15 per cent waste of cotton. Cotton which goes into fabrics for tires is not only carded but combed, and likewise subjected to a great many more drawings and doublings than the duck, those in duck amounting to about 7,000 while those in tire fabric amount to nearly 12,000,000. The aim of these drawings and doublings is to place the fibers of the cotton parallel to each other, so as to make the yarn into which it is finally spun of equal strength and evenness throughout. Experience has shown that the more times the cotton is doubled the more even and equal in strength is the yarn in all its parts. In all these processes, which entail a waste of about 45 per cent of the cotton, much additional labor is needed, and this labor must be of a highly skilled character and consequently highly paid. It should be noted also that much of this machinery (not used in any ordinary duck mill) has to be imported, subject to a high rate of duty, which places the home industry at a further disadvantage as compared with the foreign concerns.

Third. In the spinning and twisting more labor is also required than in the case of ordinary duck, as the yarns are of a greater fineness of count and more twist must be given them.

Finally, the looms must be much more carefully watched and handled, as the weaving must be as even and as perfect as possible, far more so than that of common duck.

To sum up, fabrics for pneumatic tires are made from higher grade and longer stapled cotton than are ordinary fabrics. It is practically always combed, causing excessive waste, and the labor entering into the same costs much more, as it is more highly skilled and there is much more of it.

We believe then that, in view of the great additional labor in tire fabric production over the ordinary duck mill, in view of the elaborate and expensive machinery (not found in the duck mill) involving great additional care and skill in its management, and in view of the late large importation of foreign fabric as shown by the statistics, that the increase of duty on tire fabrics asked for over that of ordinary ducks is not only wise but is absolutely necessary.

With highest considerations of respect, I am,

Faithfully, yours,

HENRY F. HARRIS,
Treasurer West Boylston Manufacturing Company.

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